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*Liberal Review
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THE LIBERAL VIEW

A SERIES OF ARTICLES
ON CURRENT POLITICS

BY
MEMBERS OF THE '80 CLUB

WITH A PREFACE BY
Rt. Hon. EARL SPENCER, K.G., P.C.

THE LIBERAL REVIEW
& CRITIQUE

VOLUME I
PART I

1904

LONDON:
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EIGHTY CLUB.

NOTICE.

THESE articles were written by members of the Eighty Club for publication in a large number of local papers throughout Great Britain and the Colonies.

Members of the Club accept no responsibility for the individual views therein expressed, and each writer is only responsible for his own article.

The Committee take this opportunity of expressing their thanks to the writers for their contributions, and for the trouble taken in correcting the proofs and revising the articles for re-publication in book form.

R. C. HAWKIN,
Secretary.

3, HARE COURT, TEMPLE, E.C.
18th March, 1904.

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PREFACE.

THE year during which I have had the honour to be President of the Eighty Club, in 1903 and 1904, has been remarkable in events of gigantic political importance.

The country has begun to realize the result of the South African War, both in that country and at home.

In the Transvaal and the Orange Free State great difficulties have presented themselves, both in regard to the settlement of the people who had been expatriated, and to the finances and government of the Colonies now under our rule.

At home we have been brought face to face with a severe financial depression, consequent on the depletion of national resources which always follows a war.

These grave events have drawn attention to the organization and administration of

our Army, and the Government made proposals of reform which were extravagant in cost, and wholly inapplicable to the requirements of the country; after a very short duration their proposals have now been completely overturned.

The continuous growth of Naval Expenditure also claimed attention, and made the Liberals interested in the Navy demand, not a diminution in its strength, but proof of the necessity of every step which had brought the Naval Expenditure to a figure which a few years ago no Naval reformer, however extravagant he might be, would ever have thought of proposing.

We have further tested the fruits of the unfortunate Educational Policy of the Government which was carried out by the Education Act of 1902, and by the Act of 1903 dealing with London Education.

We find that these Acts have not placed the Education of the country on a satisfactory or permanent basis, for large classes of the community feel the strongest conscientious objection to the payment of rates to schools

which are not in most essential points under the supervision of popularly elected managers, and in which teachers of a strongly sectarian character (however distasteful they may be to the parents of the children) can be appointed.

It is, therefore, obvious that as soon as possible these grievances, which have developed a bitter religious controversy, must be removed by law.

Last, and not least, are the unexampled proceedings of Mr. Chamberlain in agitating the country for a great fiscal revolution—a revolution which upsets the policy which has prevailed in this country for over half a century, and which in the opinion of our greatest financial authorities has been a chief cause of our unexampled prosperity in commerce, in shipping and in industries of every kind, while securing a growing increase of social comfort and contentment among the poorer classes of the community.

All these great subjects, and others of nearly equal importance which I have not space to discuss at the present time, have

been during the past year, and will be during the near future, adopted as the battle cries of Liberals at the approaching election.

They will not be put out of sight even by fresh misdeeds of the Government, such as the proposal for introducing Chinese labour under conditions into the Transvaal which will justly arouse the indignation and opposition of large masses of our people.

The day of reckoning cannot be far off, and it is therefore a special pleasure to me to be able on relinquishing the Presidency of the Club to introduce to the notice of the public the series of short essays written during the past year by distinguished politicians on many of the subjects which have so much occupied, and still occupy, the public mind, and in doing this I feel that the weighty arguments they contain will materially support the great principles for which the Liberal party is now fighting, and on which I am glad to think they present a strong and united front.

SPENCER.

18th March, 1904

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THE LIBERAL VIEW.

OUR MARITIME SUPREMACY AND PROTECTION.

By LIEUT. CARLYON BELLAIRS, R.N.

To renounce the great world purpose,
That was born of her lofty pride ;
To play the part of a weakling,
And cast faith and hope aside.

—AUBERON HERBERT.

It is significant that Mr. Balfour, in his pamphlet on "Insular Free Trade," should have dismissed the interests of our shipping in a footnote. Mr. Chamberlain ignored the interests of our shipping, although speaking at the ports, until he delivered his speech at Liverpool. It is a symptom, of which military adventure has been another, of a gradual breaking away from the traditional policy which has conferred on us sea supremacy. This policy was well expressed in the Address of the House of Lords to Queen Anne in 1707 : "We do, in the most earnest manner, beseech your Majesty that the sea affairs may always be your first and most

peculiar care." It was a policy which Napoleon indicated to us from St. Helena when he said: "Your marine is the real force of your country, and one which, while you preserve it, will always render you powerful." Now, to be supreme in maritime affairs a nation must take the lead in the building of ships and the number of modern vessels owned.

The old City toast used to be "Ships, Colonies, Commerce." We found, by long experience, that we tended to lose all three under the old Protective policy. We also found that we were weakened by internal dissensions at home, as in the Chartist riots of 1848, and history proves that there is nothing so weakening to maritime strength as civil disorder, for all eyes are turned inwards instead of outwards across the sea. Our present policy of Free Trade has concentrated shipbuilding and maritime transport work of all kinds in the hands of Great Britain. Lloyds Register Returns show that the United Kingdom built 84 per cent. of the new tonnage classed in 1902. As the great carriers of the world, we draw from every nation payments for our shipping work, which all help to support our maritime power. It is not commonly realised that two-thirds of British shipping is employed abroad and never comes near our islands. Under the old system of Protection our shipping gravitated into those trades in which it was protected, and not having to face competition the ships were inferior in quality to those of our

rivals. We have all heard of the "coffin ships" of the last century. In France, under a Protective system, a similar process is taking place. The shipowners will not face competition, and the obsolete sailing trade is being bolstered up.

The only experience we have of the effect of Free Trade on transport in the United States to-day, is in the Free Trade between the different States. The result has been an enormous development of the transport system between those States. This happened to be a railway system, but had the roads been sea-roads the result would have been a similar development of shipping. As matters stand, the United States has the largest Free Trade market in the world served by railways, and has the supremacy of the railway world; while Great Britain has the largest Free Trade market in the world served by ships, and has the supremacy of the shipping world. The United States possesses a greater length of railways than the whole of Europe. On the other hand, the value of the United States' commerce carried in American vessels has steadily gone down from 35½ per cent. in 1870 to 9 per cent. in 1899. In 1901 President Roosevelt said of this state of affairs: "The condition of the merchant marine calls for immediate remedial action. We should no longer submit to conditions under which only a trifling proportion of our great commerce is carried in our own ships." All his predecessors, from the days of Protection onwards, had said

the same thing, but the tariff wall at the coast is the real hindrance to maritime activity. So matters, with the increased stringency of the tariff, have drifted from bad to worse. "There must be some peculiar hindrance," wrote the then President to Congress on December 6th, 1881, "to the development of the merchant marine, or the enterprise and energy of American mechanics and capitalists must have kept this country at least abreast of our rivals." Thirteen years later, in 1894, President Cleveland had the courage to avow the real cause of this decay in one branch of maritime work. "Shipbuilding," he wrote to Congress, "which has been protected to strangulation, should be revived by the prospect of profitable employment for ships when built and the American sailor should be resurrected and again take his place—a sturdy and industrious citizen in time of peace, and a patriotic and safe defender of American interests in the day of conflict."

According to the "Statesman's Year Book," the United States has twenty-nine times the area of the United Kingdom, and nearly twice the population. The resources of the United States are on a similar scale. In 1901 she produced nearly 40 per cent. of the pig-iron of the world, as compared with nearly 20 per cent. for Great Britain. In all sources of power, whether fuel, wind, or moving water, she far excels Great Britain. The railways, having acquired their land cheap, are able to give cheap transport. Coal in 1900 was

almost exactly half the price of coal in Great Britain. Add to these factors the knowledge that over twice as much steel is produced in the United States at a less cost than in Great Britain, and it becomes plain that it is the protected monopoly conferred by the tariff and the coastal trade regulations which form the barriers on which all American efforts to rival our own maritime power will suffer shipwreck. This is "the peculiar hindrance" of which the President wrote in 1881, and it is an act of almost inconceivable folly to imitate a country which, in its huge territory, can at least seek relief from the tariff incubus in internal development. One little item, taken from the report this year of the most prosperous German shipping line, the Hamburg-American, will show how Free Trade builds up our shipping supremacy. The directors of this line complain of the state of freights in the shipping trade, and add that the future depends on the commercial treaties. They then remark that at least 23,000,000 marks, or over £1,000,000 sterling went to British lines in 1902 for freights in the meat trade of the United States alone, and that German lines could not earn similar sums because of the restrictions of the tariff. The Germans have every reason to complain of the results of their Protective tariff. Leaving out the recent war period, which produced abnormal changes in shipping, we find that in the last quinquennial period, 1895—1899, about 40,000,000

of people in these islands were doing a shipping business in their own ships of 63,000,000 tons per annum, as compared with 54,000,000 of people in Germany doing only 11,000,000 tons of their trade in their own ships. This is what goes to the making of our great maritime supremacy, and we should be fools if we abandoned the system of Free Trade on which it is based.

In shipbuilding we are enabled, through Free Trade, to build our warships about 37 to 40 per cent. cheaper than France, and very much cheaper than Russia or the United States. The immense resources of the private shipbuilders enable us to increase our naval programmes to meet any emergency, whereas the other great maritime nations have no further resources for expansion. This is illustrated by the fact that in battleships alone we have six fewer under construction this year than two years ago, and we have increased our resources in the interval. In the case of the *personnel*, it is only possible to compare the cost with that of the other voluntary service navy, the United States Navy. The cost in the case of the British Navy is very considerably less, and this may again be attributed to the Free Trade tariff.

Some years ago the Senate of the United States carried out an inquiry into the decay of American shipping. The following evidence then tendered by Mr. Charles Cramp, the American shipbuilder, reads like a parody of one of Mr. Chamberlain's

speeches, only the positions are reversed, and America is represented as being "drained of gold," and it is America that is asked if she is going "to take it lying down."

"The resulting fact is that the enormous revenue represented by the freight and passenger tolls on our commerce and travel is constantly drained out of this country into British, German, and French pockets, in the order named, but mainly British; while the vast industrial increment represented by the necessary shipbuilding insures almost wholly to Great Britain.

"For this drain there is no recompense. It is sheer loss. It is the principal cause of our existing financial condition.

"So long as this drain continues, no tariff and no monetary policy can restore the national prosperity.

"Until we make some provision to keep at home some part at least of the three hundred and odd millions annually sucked out of this country by foreign shipowners and shipbuilders, no other legislation can bring good times back again.

"It is a constant stream of gold always flowing out.

"What is the response of the United States to this tremendous exertion of English energy and resource to the aggrandisement of her sea power?"

An interesting parallel might be drawn, if I had sufficient space, between the present Tory conception of protecting Great Britain in what they are pleased to call the trade war, and the Government policy for protecting the country in actual war. In the one case, avowing that their object was to secure greater Free Trade, they proposed

to set up Custom House barriers. In the other case, protesting that they wished to give greater security to our sea supremacy, they saddled the country with the expense of fortifications and Army Corps organised on the idea that the country would lose her sea supremacy. Thus, in 1896, a momentous declaration was delivered by the head of the Cabinet Committee of Defence, that the maintenance of sea supremacy was to be made "the basis of Imperial defence against attack over the sea. This is the determining factor in fixing the whole defensive policy of the Empire." It was followed by the erection of the siege works round London, and by Mr. Brodrick's scheme, involving large expenditure based on the assumption that sea supremacy will be lost. So, in 1903, the Prime Minister avows Free Trade to be the basis of the Cabinet's policy, and yet advocates measures involving Custom House barriers restricting trade. The absurd argument is advanced that other nations have not copied our policy of Free Trade. We might just as well take note of their building forts instead of warships, and argue that we are wrong to build warships. In the trade rivalry they cannot compete with us in the open market, so they retreat within their own boundaries, as they are entitled to do, put up Custom Houses, and protect their home market at the expense of their home consumers. In the war rivalry, thanks to the elasticity of our resources through Free Trade, they

cannot compete with us on the open sea, so that they retreat, as far as Great Britain is concerned, to their own coasts, put up forts, and protect the home communications. In both cases difficulties are put in our way, but they are of no avail to prevent our trading and naval supremacy.

MUNICIPAL PROGRESS.

By J. WILLIAMS BENN, L.C.C.

THE recent attacks upon municipal progress have been so persistent, and so well financed, that some good people who are not behind the scenes are really beginning to regard "Municipal Trading," as it is ingeniously called, as very inimical to the success of private enterprise, and productive of high rates. To alarm further the timid ones it is labelled "Socialism," and the cautious citizen is warned that its encouragement may lead to something akin to the Paris Commune. One's apprehension abates when it is discovered that these bogeys are raised by a "League," whose aim it is to exploit our towns and cities for dividend purposes. Indeed, the list of the members of this anti-municipal fraternity is so significant that argument becomes almost unnecessary. But I propose to treat this assault on our municipal life quite seriously, and to contend: First, that "Municipal Trading" is really essential to the success of the great bulk of private enterprise; and, second, that it has proved to be the friend rather than the enemy of the over-burdened ratepayer. My argument, for the

present, does not touch the more important moral and social reasons which are outside these comparatively selfish considerations.

As to the first point, the observant traveller will notice that the success of shops, hotels, and businesses generally is largely measured by the health, attractions, and conveniences of the city in which they are located. People, especially those with money, congregate where they can get the best light, air, water, markets, and means of communication. "But," it may be asked, "cannot all these things be effectively and cheaply supplied by private enterprise?" Fully recognising all that private enterprise has done in such directions, I reply: "Not nearly so well as by municipal action," and for a very simple reason. The "common good," as it is so well named in Glasgow, must naturally come second when getting a good dividend is a consideration. Two or three illustrations from London will show what I mean. It has had to trust to private enterprise for some of its most important services. For tramways it relied, a few years ago, upon thirteen different companies, all working separate unconnected systems, without even the gauges being in common. Certain populous portions of the Metropolis had been secured by these companies, and the rest, the parts really most in need of development, were left severely alone. Thus the congested parts were but little relieved, and the shopkeepers, builders, and others have fared

badly in the districts which were without tramways. Now if this service had been under municipal management it would have been one instead of thirteen systems; it would have been spread over the whole area and arranged on the principle that "tramways should precede as well as follow population." The "common good" would have been the guiding principle rather than the securing of an uncommon dividend, and the prosperity of private enterprise in *all* parts of London would have been greatly enhanced.

Again, take the question of the water supply of the Metropolis under eight companies, with varying powers and charges and overlapping areas. Some few years ago there was a water famine in the East-end, in consequence of which poor people died, and trades which were dependent on water were seriously injured. All this was not because there was insufficient water, but because the company which ran short had no connecting pipes with its neighbour which had plenty of water! Indeed, there was an ample supply within half a mile of those who were dying for the want of it. Under a municipal system such disastrous consequences would have been avoided, and many thousands of pounds saved to those engaged in private enterprise. To draw other illustrations from London, the distressing spectacle of a fine river without an efficient steamboat service, and that of the docks and port trade in such a condition that they cannot continue without State or

municipal help, all show the folly of leaving to dividend-earning companies certain communal duties upon which the business life—*i.e.*, the private enterprise—of a city depends. The example of the docks is most forcible. An enormous trade would have been secured by London if the port had for the past fifty years been managed by the municipality or by some such trust as those which are established in shipping cities. Much of this trade has gone to Antwerp or Hamburg. Yet some people say this method is “municipal trading,” which must be checked.

There are, of course, among such critics many who concede that a municipality may be entrusted with such things as water and, perhaps, lighting, but they object to the building of houses for the working classes as seriously interfering with the proper trade of builders and landlords. Let us look at that objection for a moment from the point of view of *the bulk* of those who are engaged in private enterprise. If the latter are to produce or sell their articles at reasonable prices—prices that will compete with the foreigner—they must have their workers somewhere near their works decently housed at reasonable rents. The builder or landlord who is reaping a fortune out of a house famine in a congested district is doing so at the expense, perhaps ruin, of every other trader in the vicinity. The municipality which in such a case takes the duty of housing in hand, only looking, if necessary, for the bare return of the money

expended, is conferring a great boon upon the traders of the district. It is true that the builder or the slum landlord may suffer, but the good of the greatest number—especially of traders—is secured. I am no advocate, however, of municipal housing schemes which involve a charge on the rates. There should be no charity rents or rate-aided wages.

It is needless to multiply illustrations or to say that these cases are common to cities other than London, although the Empire City is the most behind. For these reasons I submit that municipal trading—so-called—is really essential to the success of the great bulk of private enterprise. I may be asked: "What should this municipal trading include?" My answer is: "That must depend upon local circumstances." In some cases it may well include bathing machines, or golf links, or rifle ranges. In other cases such "extras" would be unwise. It should certainly embrace everything in a town in the nature of a monopoly, or having to do with the control of the streets and the public health. The latest returns show that Parliament has permitted "municipal motor 'buses'" to be added to water, electric lighting, gas, tramways, markets, baths and washhouses, housing, cemeteries, slaughter-houses, and fairs. The decision as to where to draw the line may well be left to the locality concerned. The system of direct election which now obtains is a sufficient check against any scheme likely to destroy the business of a town.

Dealing now with my second contention that "municipal trading has proved to be the friend of the over-burdened ratepayer," I am able to quote from the return handed in by Sir Samuel Provis to the Municipal Trading Committee so recently as July 17th last. It shows the results of what are described as the "reproductive undertakings" of the municipal corporations of England and Wales (other than the London County Council) for a period of four years from March, 1898, to March, 1902. The list includes waterworks, gasworks, electric supply, tramways, markets, &c., baths and washhouses, burial grounds, working-class dwellings, harbours, piers, docks and quays, and "other reproductive undertakings."

The result covers 299 towns and cities having an aggregate population—census 1901, of 13,093,870, and an assessable value—1900-1—of £55,076,203. Taking the whole, the return shows that, after deducting all expenses of working, establishment charges, and repayments of principal and interest, there remained a nett profit of £378,281. This is after including in the list—absurdly, I think—such undertakings as baths and washhouses, burial grounds, harbours, piers, docks, and quays. No municipality can expect to make a profit out of necessary public services; such as, for instance, cemeteries. On these there is a deficit of £275,703, which has been deducted from the really "reproductive undertakings." The amount to the credit of the latter as nett profit is,

therefore, £653,984. The total capital involved in all these undertakings is £121,000,000, and during the four years named a sum of £16,000,000 has been paid off, in addition to the nett profit of £378,281. This is a result which should reassure the anxious ratepayer as to his provincial friends, but the critic may inquire why has London been excluded?

Curiously enough, the real Corporation of London which ministers to its 5,000,000 of inhabitants is called a *County Council*. This was due to the necessity of saving the *amour propre* of the old City when Mr. Ritchie's Act of 1888 was passed. So we have to rely on the figures of the Council itself for information. But they have been duly audited by the Government officer. The Council is only permitted at present to deal with two of the "reproductive undertakings" in the above-mentioned list, viz., housing of the working classes and tramways. With regard to the former the total expenditure on capital account on all the Council's dwellings up to March 31st, 1903, amounted to £1,221,754 17s. 7d. The total financial result on the whole of the dwellings and estates from the date of the opening of the first block in April, 1894, down to March 31st, 1903, is a surplus amounting to £9,306 2s. 7d., after making a net contribution from the rates of £12,237 3s. 7d. This result has been arrived at after making full provision for repairs and renewals, charging interest on capital outlay,

and setting aside a sinking fund sufficient to replace the whole of the capital outlay on land and buildings and estates in course of development within a period of sixty years. The sums actually charged against the various dwellings and carried to these accounts have been carefully reviewed by the housing manager, and they represent, in his opinion, a full and sufficient provision for future expenditure under this head, which will naturally be larger in years to come than it is at present, when most of the buildings are almost new.

When it is remembered that the sums *annually* set aside for sinking fund purposes, together with interest accumulations, amounted on March 31, 1903, to a total of £37,719 16s., it will be seen that by the operation of this sinking fund the rate-payers of sixty years hence will come into possession of an unencumbered freehold property yielding a large profit income. This has been done in spite of the fact that a large portion of these dwellings have had to be erected under statutory obligation, without regard to any chance of profit. Last year's accounts show that the total gross income for the year amounted to £74,126 5s. 10d., and of this £32,948 os. 5d. was required for outgoings during the year. In addition to this a sum of £35,269 6s. 7d. was required for the payment of capital charges. There is thus a surplus balance on the year's working of £5,908 18s. 10d. So much for the finance of this sort of "municipal trading." But

it is of more importance to recollect that this rehousing of some 30,000 of London workers has kept within the county a large volume of trade which, but for this timely action, might have been pushed out into the provinces. Thus the private enterprise of the Metropolis has been materially assisted. Finally, may I turn to the question of the tramways, now so essential a part of the life and prosperity of a city, to reassure the ratepayer that he need not be anxious on their account.

The total sum spent by the London County Council on tramway purchase is £1,984,983. The first purchase was effected in 1895. Since that time £293,592 has been applied from the same service to the relief of rates, while £176,940 has been paid off the original debt. Thus the ratepayer has been largely benefited by the policy of municipal tramway ownership. But it may be urged that these figures represent the result from lines leased to a company as well as lines worked by the Council. Taking the latter separately—a small system of twenty-four miles, representing only one-fourth of the tramways of London—the total financial result for four years shows a net profit of £79,000 to the relief of rates, a reserve fund of £30,000; and over and above all this, a number of municipal advantages which deserve to be specially mentioned. These include:—

- (1) Establishment of all-night car services.
- (2) Extension of halfpenny fares.
- (3) Reduction of fares on various routes.

(4) Institution of special workmen's services with return tickets at cheap fares up to eight o'clock a.m.

Further, the Council has improved in various ways the conditions of labour of the tramways staff, the following alterations having been made :

(1) Men allowed one day's rest in seven.

(2) Establishment of an average ten hours' day.

(3) Wages of various classes of employes increased.

The total annual cost of these changes has been about £26,000, duly debited before arriving at the above annual profit. There are no halfpenny fares, or ten hours a day, or one day's rest in seven without deduction from wages on the lines which are leased to the companies. Fifty millions of persons are carried on the Council's lines at halfpenny fares. If they travelled on the company's service, where only penny fares obtain, they would pay £100,000 a year extra in tramway fares. This I submit as a useful object lesson in real municipal progress, selected from a city which is, alas! much behind most of the municipalities in the provinces. If I were dealing with, say, Glasgow or Birmingham—that centre of light and leading—much more forcible evidence could be adduced. Sufficient, I trust, has been said to show the selfishness and hollowness of this attack which is being made by interested people on that reasonable municipal development upon which the life and prosperity of the dwellers in our cities depends.

THE DISESTABLISHMENT OF THE CHURCH.

By AUGUSTINE BIRRELL, K.C.

MORE than eighteen years ago Mr. Chamberlain traversed the country, from Hackney to Inverness, advocating a Radical Programme which remains unfulfilled to this day. As a legislator the late Colonial Secretary is not a success. In 1885 he was very confident about two things. "Protection," he told Birmingham, "will lessen the total production of the country, will diminish the rate of wages, and raise the price of every necessary of life." When he got to Glasgow he told a huge audience that for political as well as for social reasons, and in the interest of religion itself, he was a Liberationist. "I would free the Church from State control whether in England, in Scotland, or in Wales." Last year Mr. Chamberlain contemplated another campaign, in which he would assure the country that a measure of Protection would raise the rate of wages, and (if asked the question) that it would not matter a farthing whether the Church was disestablished or not. It is not given to many men so completely to turn their back upon their former selves; but it cannot

be denied that Mr. Chamberlain's recantations lack originality, and do but give prominent expression to a change, both of positive opinions and as to the relative importance of particular reforms, which many men have experienced no less than he. Although nobody in 1885 was likely to suggest that Mr. Chamberlain would live to advocate taxes on food, it was plain enough even then that the Protectionist heresy was deep-rooted in many hearts, and only lacked some decent pretext to lift its head once more in the market-place; whilst the careful student of the ever-shifting scene of ecclesiastical strife could not have failed to observe that the cry for Disestablishment was one which had grown fainter in volume as the years went by.

What is called the Case for Disestablishment has lost none of its force, and may, I think, quite fairly, be said to grow stronger year by year.

The Church of England has not only long ceased to be co-extensive with the nation, but what may be called the Church of England View of Religion, the dominant view as entertained by the majority of devout Anglicans, has become more and more repulsive to the great body of Dissenters. The differences between the Bishop of London and Mr. Silvester Horne, for example, are more substantial and separative than those between the Bishop of London and any English prelate of the Roman Catholic Church. It is

absurd to minimise these differences. The late Cardinal Manning and the late Mr. Spurgeon were both Christians, holding in a common unity of faith the great doctrines of the Trinity, of the Divinity of Christ, of the Atonement, of the Fall of Man, of Original Sin, and the Eternity of Future Punishment; and yet it would have been impossible for these two men to work together for five minutes on any common basis of Christianity, so vital and pervading was the difference between them on the subject of the priesthood.

At the present time the gulf between Church and Dissent is broader and deeper than it has ever been in our history; and it is more than ever impossible to pretend that the Church of England in any way represents the general religious sense of the community. It does not do so now, and every year the hostility, based as it is, and will be, on an irreconcilable difference incapable of being compromised, will grow fiercer.

There is no *a priori* justification for a Church Establishment which, so far from including the nation, affronts and deeply wounds the settled religious convictions of probably one-half of that portion of the population which has religious convictions at all.

The question is now much more of a theological one than it used to be. When a Nonconformist sees exposed for sale in a stationer's shop photographs of the Bishops of what he is invited

to consider his national Church bedizened with the significant because symbolical millinery of a sacrificing priesthood, he feels that the question of the Establishment is no longer one of expediency, but of right and wrong. Doctrine can no longer be kept out of the account—and the main objection of the Dissenter to the Established Church has become no less serious than this, because it teaches both in the Church and the rate-supported school-house, in the name of the State to which all belong, what the Dissenter believes to be eternal falsehood.

I need not stop to point out how the Education Act of 1902 accentuated the theological side of this embittered controversy. No living Nonconformist can remember a time when feeling ran as high as it does to-day. Disestablishment, though it would not, of course, touch those root-differences of opinion which of necessity create the cleavage, would—so it is believed—by creating equality remove the particular bitterness now imported into the situation.

So far, then, as Nonconformists are concerned, they are more than ever what Mr. Chamberlain was in 1885—Liberationists. I can remember when many Nonconformists of a devout turn of mind were lukewarm about Disestablishment, and fought shy of the Liberation Society. I know no such men now. The issue has become too clear and the stake too high to admit of any such frame of mind.

But what is the attitude of Churchmen? Here

I tread unfamiliar ground, and speak hesitatingly. Years ago there were certainly a goodly number of High Churchmen who favoured Disestablishment as the price of freedom from the secular arm and the horrors of the *congé d'élire*. Their numbers have, I think, been reduced, for the good Anglican—as he now loves to call himself—hugs the delusion, as I must think it, that some day Lord Hugh Cecil will be able to persuade the House of Commons to give the Church of England complete ecclesiastical freedom, whilst permitting her to retain her political union with the State. It must never be forgotten that a man who feels his salvation to depend upon his belonging to a branch of the Catholic Church will be slow to accelerate the hour when his branch may be lopped into three. Such a man prefers to preserve “unity,” even by an Act of Parliament, than not at all.

The old Broad Church party died in the cold. Nothing ever came its way. It was always against Disestablishment. A new Broad Church party is slowly appearing above the horizon, which aims at comprehension of all the fairly orthodox Churches. A vain dream, I am persuaded, but this new party is also against Disestablishment.

The Evangelical party in the Church of England is by no means so moribund as some fine folk suppose, though no doubt it is always harassed by an illogical position. But behind it there is the vast, latent Protestantism of the nation, to which if it ever chose to appeal in trumpet tones it would

not appeal in vain. To the Evangelical Disestablishment has always been the last resort. He does not dread it so much as his High Church brother, because he is not frightened to death at schism; but he has no mind for it, still believing, as he does, that in the long run the Protestantism of the Church of England will drive out Lord Halifax and his friends, and render possible a revision of the Prayer-Book in a Protestant sense.

At present, so it seems to me—allowing for individual exceptions—all Nonconformists are Liberationists, and all Churchmen anti-Liberationists, though for different reasons.

Having disposed of these contending parties, who are at all events vocal, what is to be said of the dumb masses—of that great majority of the population who go neither to church nor chapel? Some of these are no doubt genuine Indifferentists—wilful, deliberate, and persistent abstainers from public worship—either on account of positive unbelief or from some dislike of organised Christianity. Indifferentists are usually well-disposed to an Establishment, since it provides a clergy who will marry and bury as a matter of business and without asking questions. Zealots are bred in sects and supported by voluntary contributions. A State Church makes it easy all round.

The great bulk, however, of religious abstainers are so from habit, and not from any speculative

proclivities. Long hours, hard lives, and perpetual poverty leave little time or temper for the offices of religion. Happily, no animosity towards religion is as yet noticeable among this huge class. Piety, devotedness, self-sacrifice are respected and recognised wherever they are seen, whether in Catholic or Anglican priest or Nonconformist minister. Distinctions often esteemed to be of grave importance are usually nothing in the sight of the working man, who will send his child to Board School or Church School with perfect indifference.

In our large towns there is no ill-feeling towards either Church or Dissent except in a few places, where, for one reason or another, the Protestantism of the mob has been carefully nurtured. In many of our cities the self-sacrificing labours of the clergy, both of the Roman and the Anglican communions, have attracted much attention from the poor who witness their devotion. In country districts there is often much ill-feeling towards the Church of England, sometimes traceable to the stupid bigotry of individual parsons, but not infrequently the consequence of a growing sense of the grave doctrinal differences between the teaching of the Church and the convictions of the people.

But, on the whole, Disestablishment cannot, I think, be considered as yet a popular demand.

What of our statesmen and leaders? How are they disposed to the question? This is not the

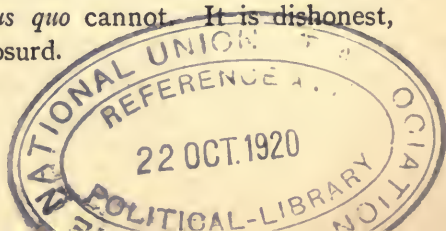
heroic age of statesmen. Mr. Balfour is not the only prominent politician who has no settled convictions. In 1885 Mr. Chamberlain used to explain his animosity against the Establishment by referring to ancestors of his who, so he said, were "ejected" from their livings in 1662, having, no doubt—though Mr. Chamberlain never referred to this—"intruded" themselves upon previous occupants in Cromwellian times. None of our present Liberal leaders are in the least likely to produce "ejected" ancestors to give colour to their speeches on this topic. They are men of milder mood, and for the most part conformists to the rights and ceremonies of the Establishment. Besides—from a House of Commons' point of view—Disestablishment and partial disendowment would be a gigantic undertaking. Obstruction would raise its head unabashed. The guillotine would never cease falling. The "wear and tear" would be stupendous. It would be easier to abolish the House of Lords. Clearly, in an unheroic age, Disestablishment is not an attractive policy.

Another noticeable feature of our time is its growing love for pageants and public show. The very lawyers have taken to going to Westminster Abbey on the first day of Michaelmas Term. It is not a particularly pious or impressive ceremony—or "function," if that be the right word—but it is symptomatic of much. The Coronation was a great spectacle. If the Church is disestablished,

who is to crown the next King? What religion is he to profess? May he be a Baptist, and if a Baptist, why not a Papist? If the Empire is ever to be federated, decency demands that the event should be celebrated in some building more associated with deep emotion than the Mansion House. Westminster Abbey and St. Paul's Cathedral alone answer the needs of national life when touched with feeling; and without an Establishment who would conduct the services?

These may not be important or relevant questions, but they are in the air just now, and would be asked and answered were the controversy to become active.

As things are at present, I do not think there is any chance of Disestablishment and Disendowment entering the arena of practical politics for years to come; but of this I am even more sure—that the whole question will be increasingly discussed, and with growing fervour, day by day. The first step taken will, and must be, the modification of the Education Act in well-known respects; and when this has been done the ultimate fate of the Establishment will probably be found to depend upon the strength or weakness of the Protestantism of the nation. A Protestant Establishment may long endure. The present *status quo* cannot. It is dishonest, dangerous, and absurd.



THE EXPENDITURE ON THE NAVY.

BY RT. HON. LORD BRASSEY, K.C.B.

THE British Navy Estimates for 1903-4 amount to £34,457,000, as against £31,225,000 for the previous year. If we include the Indian and Colonial contributions, and the money borrowed for naval works at the dockyards, the total expenditure will exceed £39,000,000. In 1895 naval works were estimated to cost £9,000,000 sterling. In 1903 the total estimate is over £31,000,000, with prospective further increase.

The naval expenditure of other Powers for the year 1903 is as under :

Russia *	...	...	...	£10,877,000
Germany	...	...	...	10,887,000
France	...	...	...	12,524,000
Total				£34,288,000

THE NECESSITY FOR ECONOMY.

In his speech at Bristol in September, 1902, Sir Michael Hicks-Beach expressed the opinion that a continued increase of expenditure, even for

* The amount is probably larger owing to extraordinary expenditure.

the Navy, was impossible. Our Navy Estimates had gone up in seven years from £18,700,000 to £32,500,000.

In the eloquent address with which he opened the Colonial Conference, Mr. Chamberlain spoke in grave and anxious terms of our burdensome expenditure: "The weary Titan groans beneath the orb of his too vast fate."

THE NECESSITY FOR EFFICIENCY.

We depend on the Navy for the protection of our commerce. We are bound to keep pace with rival Powers. Economy is possible in many departments of the naval service.

OUR PRESENT POSITION.

We have decided advantages in the relative cost of shipbuilding. A combination to keep up prices, as in France, is impossible. The British *Prince George*, 14,900 tons, cost £895,504; the *Charlemagne*, 11,108 tons, with a displacement less than that of the British battleship by 3,800 tons, cost £1,096,432. The *Prince George* cost with her armament, 39 per cent. less per ton than the *Charlemagne*. The revised estimate for the *London*, 15,000 tons, is £1,107,111. The estimated cost for the *Republique*, 14,630 tons, is £1,431,013, and for the *Patrie* £1,602,048. The committee of the French Chamber on the Navy Estimates for 1900 gave the result of careful inquiries. For labour only the cost per ton was,

for the English Navy, £15 18s. ; for the French, £22 3s. Materials cost, for the English ships, £22 4s. per ton ; for the French, £37 2s. Our advantage is even more marked as compared with Russia.

ERRORS OF POLICY.

In the past resources have been unprofitably applied in the building of ships which, though as costly ton per ton as the most powerful types, have been put aside as obsolete almost as soon as they were completed. They were too small to hold the sea, and too slow to give protection to trade. They carried a large spread of sail. In coal endurance, armour, and armament they were defective. The sloops of the unfortunate *Condor* class, recently placed in commission, are already obsolete.

Care should be given to the distribution of expenditure on shipbuilding, as between battleships and cruisers. At the commencement of the year the large ships in construction for the British and other Navies compared as under :

		Battleships, First-class.	Cruisers, First-class.
Great Britain	...	12	19
France	...	7	13
Russia	...	8	3*
Germany	...	8	3
		23	19

Battleship expenditure should be increased, and the large sums now devoted to cruisers reduced.

* Deck-protected cruisers (no armour belt).

We have an unchallenged superiority in all classes of cruisers.

DISTRIBUTION OF SHIPS.

The distribution of our ships must be considered. Lord Selborne, in his latest memorandum, remarks that in view of "the constant demands that are made in various quarters that additional ships should be placed in commission, I wish to lay stress on the fact that the number of the active service ratings must continue to increase disproportionately to the growth of the reserves unless a fairly constant ratio is observed between the ships in commission and the ships in reserve." Concentration on the decisive points is essential. The wide extent of the British Empire, and the necessity of giving protection to commerce of immeasurable value, extending to every sea, justify naval expenditure largely exceeding that of the other maritime Powers of Europe. Confidence in the patriotic resolve of Parliament to deal in no niggardly spirit with naval requirements should not, however, discourage those concerned in naval administration, whether from within or from without, in the effort to cut down expenditure where it is least necessary. To maintain naval forces, consisting of vessels useful only for peace services, in waters where we have no rivals is a waste of our resources. It is due to the Admiralty to recognise that the policy of concentration in home and European waters has been

begun. The reduction of non-effectives in commission—our *poussière navale*—should be carried further.

With the powerful Cruiser Squadron and the Channel Fleet ready for any service, a reduction should be possible in our Atlantic squadrons. None of the Continental Powers deem it necessary to make an imposing display of naval force in the Atlantic. On other foreign stations vessels might be withdrawn without prejudice to our interests.

THE COST OF THE PERSONNEL.

The *personnel* of the great fleets is given in the *Taschenbuch der Kriegsflotten* for 1902 as under: Great Britain, 122,900; France, 53,000; Russia, 62,000; Germany, 33,500; United States, 37,800; Japan, 31,000. While the latest figures in Part IV. of the *Naval Annual* differ from the above, both publications bring out the greater reliance placed by the Continental Powers on reserves as compared with Great Britain. In the case of Russia no inconsiderable proportion of men are recruited from the inland provinces of the Empire. They pass the winter months ashore in the ice-bound Island of Cronstadt. Their summer experiences are confined to the land-locked and generally unruffled waters of the Gulf of Finland. Landsmen in large numbers are found in the naval forces of France, Germany, and the United States. This policy of training men for a few years and then passing them into

the Reserve is one deliberately adopted by all the Powers except Great Britain. It is based on a consideration of the numerous unskilled duties which have to be performed on board ship. Beyond a safe provision for the replacement of casualties, the experience of war is not different from industrial undertakings. It is a waste of resources to train up skilled men for the performance of unskilled duties.

The addition to the British Navy Estimates under the several votes which provide for the manning of the Navy has, in recent years, been greatly in excess of the expenditure elsewhere.

NAVY ESTIMATES, 1903-4.

Numbers voted.		Increase.	
127,000		4,600	
		£	
Vote I. Wages...	... 6,312,800	350,800	
„ II. Victualling	... 2,292,500	269,000	
„ III. Medical	... 259,000	12,500	
Total		£8,864,300	£632,300

NAVAL ESTIMATES, 1893-4.

Numbers voted		74,000
Wages		£3,520,000
Victualling		1,215,700
Medical		125,000
Total		£4,860,700

In the last ten years we have added 53,000 to the number and £4,000,000 in round figures to the annual cost of the permanent force. To this

increase we have to add future charges upon Estimates for the retired pay of the increased numbers. The amount for non-effective services for 1903-4 is £2,320,700. The recent additions to the permanent force will double the non-effective votes.

Let us turn from the expenditure in connection with the *personnel* for the British Navy to the manning vote for the foreign Powers.

	France.		Germany.	
	1902.	1903.	1902.	1903.
Pay	£ 1,952,982	£ 1,928,405	£ 935,948	£ 1,026,530
Victualling	831,852	811,591	69,676	73,396
Clothing ...	151,848	155,014	17,346	17,509
Medical ...	79,304	77,704	69,948	74,679
	3,015,986	2,972,714	1,110,954	1,192,114

	Russia.	
	1902.	1903.
Pay	£ 603,036	£
Victualling	203,398	} 1,209,224
Clothing ...	303,758	
Medical ...	126,570	
	1,236,762	1,341,224

THE NEGLECT OF THE RESERVES.

The excess in the charge for manning the Navy is largely due to our policy of providing for all emergencies mainly by reinforcement of the permanent force. Other Powers look to their Reserves for mobilisation for war. In comparisons of strength we do not reckon foreign ships to be inefficiently manned. The reinforcement of the Reserves is urgent, and has been long neglected. The Reserve vote, as proposed in the Estimates for 1903-4, is £297,000. For the year 1893-4 the corresponding figure was £286,900. The Reserves have been starved. We muster 41,540 men, all told, as against more than 100,000 on the rolls of the French *inscription maritime*, with at least 50,000 efficients. Our numbers are insufficient, and the arrangements for training inadequate. The drills of the Naval Reserve should be more under the supervision of officers. Drill sheds and guns have not been up to requirements.

With due care in their training a reserve force can be made efficient. The fleets which won the great battles of the past were not manned by permanent men. The crews were raised by the pressgang. For the most part they were not seamen. They were trained rapidly in the school of experience in war, and brilliant victories were gained.

Our resources for manning the Navy might be materially increased by organising a portion of the Army as an amphibious force.

Soldiers accustomed to discipline are more valuable for the Navy than the untrained civil population. The administrative arrangements should be considered. Regiments might be permanently quartered at the naval ports. Exercised in boats, and drilled with the Marines as naval gunners, they would be better prepared to go afloat than the regiments which did service with the Fleet in the days of Lord Nelson. A Marine Reserve of at least 15,000 men could be obtained by maintaining permanent garrisons at the naval stations of Chatham, Portsmouth, Plymouth, Pembroke, Queenstown, Malta, Gibraltar, and Halifax.

If the present policy is maintained, our permanent force may pass the limit which can be borne in time of peace. We are crippling the recuperative powers of the country. If we appropriate in undue proportions to manning, progress in construction must be delayed. That is not a result which the naval advisers of the country would contemplate with satisfaction.

A permanent force of 100,000 men should suffice. It should include officers in ample numbers—and fully provide for all ratings requiring special training. With 100,000 permanent men, and 100,000 in reserve, the Navy would be manned with a force sufficient for all our needs.

RETALIATION AS A POLICY.

By SYDNEY BUXTON, M.P.

WE have heard a great deal, in the innumerable speeches which have inundated the country, about the policy of Preference and the policy of Protection, but much less about the policy of Retaliation, which was originally adopted by the Prime Minister as a means of keeping his party together, and which he first announced at Sheffield, and reiterated at Bristol.

Mr. Balfour's speeches and Mr. Balfour's policy have, by reason of their very indefiniteness, been fairly successful in the object he had in view. With the exception of the new Chancellor of the Exchequer—who naturally follows his father—all the members of the Government who have spoken, and more especially the new Ministers, have repudiated Preference and Protection, if they are to lead, as they infallibly and admittedly must lead, to the taxation of food. But the Ministers, and the Unionist party generally, appear to be prepared to accept Retaliation as a policy, and to follow the Prime Minister—who, as he tells us, is nothing if not a leader—wheresoever, and into whatsoever Protectionist bog this will-o'-the-wisp may lure them.

The policy of Retaliation is really, therefore, of greater moment, and more dangerous, than that of Preference. Indeed, for the destruction of the latter I chiefly pin my faith on Mr. Chamberlain himself, who has at least the courage to stick to his tax on food.

Protection we know, and Free Trade we know, but what is this Retaliation? It is neither fish, nor flesh, nor fowl, nor good red-herring. The policy of Preference is clear—the levy of a duty on the foreign imports of foodstuffs, while admitting the products of the Colonies free. The specific policy of Protection, proposed for our adoption by Mr. Chamberlain, is clear—a ten per cent. duty on all imported manufactures, in order to protect the home manufacturer in his home markets, and to enable him, by some mysterious means, the better to compete in protected foreign markets. But both these plans are repudiated by the Prime Minister—for the present. He proposes instead “Retaliation.” But the policy of Retaliation is wrapped in obscurity. Mr. Balfour apparently does not know what he wants, though he tells us he won’t be happy till he gets it. Sir M. Hicks-Beach implores him not to explain any further, for if he were to do so Sir Michael might have to disagree with him, and to seek again some other fold.

But the policy of Retaliation cannot be left where it has been put by the Prime Minister at Sheffield and at Bristol. It requires expansion,

explanation, and definition. For the worst of Retaliation is that it may mean nothing or it may mean a great deal. Sir M. Hicks-Beach has put Retaliation simply on a par with the Sugar Convention; while Mr. Balfour has told us that he desires by means of it "to alter fundamentally the fiscal tradition which has prevailed during the last two generations." Who is right? Which wags the other? What we want to know, what we are entitled to know, but what we have not yet been told, is what exactly the Prime Minister means; and how, in a concrete way, he proposes to accomplish his end. To use his own words at Sheffield, the "guiding policy" of Retaliation is "to give the Government of this country freedom of negotiation," so that "we can inform any foreign Government which we thought *was treating us with outrageous unfairness* that unless they modified their policy to our advantage we should feel compelled to take this or that step in regard to their exports to this country."

So far so good. And if this is all he means there is little difference of opinion. Each particular case (he characteristically refrains from specifying one) of alleged "outrageous unfairness" must be judged on its merits. It must be carefully considered, and cautiously decided, whether the policy of levelling the "revolver" at the head of the offending party will be effective; and whether if not (and the alternative must be faced), the consequence of firing, and the commercial vendetta

which would therefore ensue, would not, in the end, be more injurious than beneficial to us and to our trade.

But the particular case having been considered, and action having been decided upon, there is nothing in the world to prevent a Government, this Government, any Free Trade Government, when negotiating a commercial treaty, or otherwise, from using commercial threats, and from biting as well as barking, subject only to the fact that if any alteration in taxation is thereby necessitated they must get the assent of Parliament to their Budget and to their Finance Bill, in order to legalise the consequential changes involved. The Sugar Convention Bill of the other day (injurious and mistaken though we consider it was), was an instance in point. It was a case, more or less legitimate, of retaliation—retaliation against bounties.

What more does Mr. Balfour want? Surely, in his wildest moments, he cannot believe that the Country and the House would give a free hand to the Executive to deal, on their own initiative, with questions of trade and of taxation, without the necessity of coming to Parliament for its assent. We are entitled to a clear and lucid explanation, and we ought to be told where, when, and how he proposes to carry out his policy of Retaliation. But neither at Sheffield nor at Bristol, nor since, has one single word been vouchsafed to us dealing with the matter in its practical aspect. We have

been given neither light nor leading on the subject. Yet, in regard to the policy of Retaliation, the essential question is whether it is feasible, and how it can be, and is going to be, effectively carried out.

Retaliation, as defined by Mr. Balfour, means that when a particular country, by its prohibitive or protective duties, treats any of our trades with outrageous unfairness, or where a trust, syndicate, or combine injures or disturbs our trade by unfair competitive manipulations, we are to put duties on the imports from the country in question. Presumably also, special duties are to be imposed on the particular goods dumped here through the action of particular traders or trusts and syndicates. Though how these dumped goods are going to be individually penalised passes the wit of man to determine.

In order to retaliate effectively on a large scale, we must be able to convince the traders, the people, and the Government of the Protective country that we are in earnest, and that we have the power and the will effectually so to injure their trade that they will be compelled to agree to our terms. With our big revolver we are to "perwill on them to stop."

The American tariff is the Protective tariff that injures us the most ; and by its success in breaking down this Protective wall must Retaliation as a policy be judged.

What, then, is the commercial position as between ourselves and the United States? In 1902 we imported from the States £127,000,000 sterling of produce. We exported to the States £24,000,000 of British produce and £19,000,000 of foreign and Colonial produce—a total of £43,000,000. Apparently, therefore, we are fiscally in a strong position to break down what Mr. Chamberlain calls this “immoderate, unreasonable, and unnecessary” tariff, for the Americans send us three times as much as we send them; or, if British produce alone be considered, they send us five times as much as we send to them. Nothing more easy, surely, than to bring them to their senses by clapping a duty on their imports to us.

Very pretty in theory, but how is it going to be done? Both Mr. Chamberlain and Mr. Balfour, and every speaker without exception, have stated emphatically that the raw materials of industry are not to be taxed. As a matter of fact, I think it is absolutely certain that if the policy of Colonial Preferences be adopted, raw materials will certainly have to be taxed. If Australia is to have a fair share, and if the Cape is to have any share at all, in the advantages of inter-Empire Preference, the raw materials they send us must receive preferential treatment—in other words, foreign raw materials must be taxed.

However, be this as it may, raw materials are ruled out, as far at least as Retaliation is

concerned. Then, Mr. Balfour, the Government, its new recruits especially, declare by all their gods that the question of the taxation of food is not before the country, and is not within the limits of practical politics. While, on his side, Mr. Chamberlain proposes to utilise his tax on food-stuffs for Preferential and not for Retaliatory purposes, and it cannot be used for both.

In order, therefore, to arrive at the American imports, which are open to attacks and on which we can retaliate, we must first deduct the imports, of raw materials and of foodstuffs. But this makes rather a big hole in the imports, for out of the £127,000,000 of American imports not less than £62,500,000 are foodstuffs, and no less than £44,000,000 (chiefly cotton) are raw materials. Then tobacco—already heavily taxed—and a few miscellaneous articles, such as books, drawings, plants, &c., must also be eliminated, to an amount of about £6,000,000. Then, again, there are some £5,000,000 of partly manufactured articles, such as leather, pig-lead, cordage, &c., which form the raw material of later stages of manufacture, and the taxation of which would admittedly injure some of our manufacturing trade here.

We started with some £127,000,000 of produce from a Protectionist country on which, following Mr. Chamberlain and Mr. Balfour, we thought we could retaliate. But from these we must deduct, it is clear, £117,500,000, made up as

above. This leaves us but a balance of £9,000,000 to £10,000,000 of American imports. And these £9,000,000 to £10,000,000 of so-called "manufactures" are made up from over forty different items of import, some of which are hardly articles on which retaliatory taxation could profitably or effectively be placed.

How are the mighty fallen! Instead of having, as we thought when we gaily started, £127,000,000 of American imports on which we could retaliate, we find that there are, at the best, a beggarly £9,000,000 open to our attack. The prospects of Retaliation hardly look so rosy as they did at first. And then, further, if we tax these few millions of imports from the States, the Americans would not for a moment hesitate to re-retaliate, and most effectively to re-retaliate, on all or most of our £24,000,000 of home exports, and on the £19,000,000 of re-exports that we send to them. The beautiful "weapon," the arm of precision, on which the Government apparently think they can rely, appears, on nearer examination, to be much of the same calibre, and as effective, as the ammunition and the rifles on which they relied for the Boer War. The Government ammunition was more dangerous to the man who fired it than to the man against whom it was fired; and the Government rifles shot eighteen inches to the right!

How, moreover, would the policy of Retaliation, if attempted as a policy, and on a large scale

work out? We should threaten Retaliation. The Protectionist Government would not be intimidated, and therefore the Retaliatory duties would have to be imposed. Still the Protectionist Government would not give way. But they would by no means take it lying down, and would warmly and unpleasantly reciprocate the injury we were doing them. So the Retaliatory duties, imposed for temporary purposes, would have to remain, and would become permanent.

But a retaliatory duty (a tax on a foreign import), while in force, acts, of course, as a protective duty to a particular home trade. And why, it would soon be urged, should this particular trade be protected and not others? Other trades would therefore claim, and unanswerably be able to claim, Protection also; and gradually Protection would spread over the whole face of our trade and commerce.

Yet Mr. Balfour says that his Retaliation is a step in the direction of Free Trade!

The fact is that Retaliation, which sounds attractive in theory, and which appears fairly feasible in practice, is found, on analysis, to be impossible of accomplishment, on any large scale, *without involving the taxation of foodstuffs and of raw material; and without eventually leading to Protection all round.*

The advocates of so-called Retaliation are really Protectionists in disguise, who know quite well that Retaliation is only the first step, and who have

either a sneaking hope or a confident expectation that it will finally lead to Protection. The advocates of Preference and of Protection are more honest. They know what they want, they say openly what they mean.

Most of us would be prepared to leave considerable latitude in the hands of a genuine Free Trade Government to negotiate commercially with other countries, and even to threaten reprisals. But to put any additional power in the hands of a Government who declare by their Chief that they desire to reverse the fiscal policy of the country, would be to place the keys of the house in the hands of the burglar.

THE SITUATION IN MACEDONIA.

By RT. HON. JAMES BRYCE, M.P.

It is a hopeful sign, cheering to those who feared that Britain had begun to lose that sympathy for freedom and humanity which was her glory half a century ago, that even at a time when grave domestic questions were occupying the national mind there should have arisen so strong a feeling of indignation at the detestable cruelties of the Turkish Government in Macedonia, so general a demand that British influence should be exerted to secure the liberation of the Eastern Christians from the oppressions that have made life intolerable to them. This demand is all the more significant because the movement is outside all party lines. It has not been got up by any party or in the interests of any party—it is the spontaneous expression of national sentiment. Though the facts already known in England are amply sufficient to justify the demand I refer to, there is a general desire for more detailed information, and constant requests for such information reach the Balkan Committee. They are prepared to supply facts and to answer questions—indeed, that is largely the purpose for which they exist; and every one who wants to have a fuller mastery of the subject

than he possesses will do well to communicate with them. Meanwhile, I comply with the request addressed to me to call attention to a few of the salient features of the present situation; and I shall try to do so in the most concise way.

I. It is sometimes asked: What is the special responsibility of Britain? and the question deserves a reply. In 1878, when Russia had vanquished the Turks, she dictated a treaty (the Treaty of San Stefano) by which nearly the whole of Macedonia and of the Vilayet of Adrianople, including the districts which have been the scene of the horrible massacres reported during the months of August and September, was taken away from the Sultan and made a part of the autonomous Principality of Bulgaria created by that Treaty. Lord Beaconsfield's Government objected to this arrangement on the ground that it unduly weakened the Turkish power, the maintenance of which they deemed essential to British interests. This was a deplorable error, as Lord Salisbury himself—then Foreign Secretary—lived to admit. But the selfish and shortsighted view then taken by the Government prevailed. A Congress was called at Berlin, the Treaty of San Stefano was set aside, and by the Treaty of Berlin the districts in question were handed back to the rule of the Turk. Reforms were, of course, to be introduced—this is a regular part of all diplomatic dealings with the Sultan. The Turks promised to introduce them—they always make these promises, which

cost nothing—and a scheme for their application was drawn up. But nothing was ever done to carry them out. The state of Macedonia became worse rather than better, and the tyrannies and extortions and outrages from which the people suffered drove them at last to insurrection. But for the action of the British Government in 1878, Macedonia might now have been as free, as orderly, as peaceful and progressive as Bulgaria has been since 1878 under her autonomous government. Unhappily, it is easier to do a wrong than to set that wrong right. Britain would willingly set it right now. But, as the old adage says :

He that will not when he may,
When he will he shall have nay.

We find to-day that the selfishness our Government showed in 1878 is being shown by Austria and Russia now. Nevertheless, we are bound in honour to persevere, and do our utmost to retrieve the unhappy results of 1878. It is a solemn national duty.

II. This Macedonian insurrection is not an isolated event, nor does it come as a surprise to those who have watched the movement of things in the East. All the Christian populations that live under Turkish rule would rebel if they saw a chance of success. Things are no worse in Macedonia than they are, and have been for a century past, in Armenia. This rebellion is the inevitable result of Turkish methods of government.

So long as these methods continue—and they are incurable—so long as men are not permitted to reap the fruits of their own labour, and are murdered when they try to protect themselves; so long as women are outraged and girls abducted with impunity—so long will the oppressed rise against the oppressor. Some deplorable things have doubtless been done by the insurgents. It is always so. Long-continued brutality and injustice breed a fierce spirit in the sufferers which breaks out in fierce deeds: the violence of their revenge is a measure of what they have suffered.

III. No scheme of reforms, such as that which Russia and Austria drew up last spring, is of the slightest use so long as the application of it is left to the Turk. The experience of seventy years has shown that he never fulfils his promises, never improves his administration. The only thing to be done is to get rid of Turkish administration altogether, to turn out their officials and their soldiers, and put the country under a Christian Governor from some European country, a Governor who is not amenable to the Sultan and whom the Sultan cannot dismiss. To cut the country entirely loose from the Sultan would be better still. But it is for the moment sufficient to remove his direct rule—that will put a speedy end to the existing horrors.

IV. The question is not one of Christians *versus* Mussulmans. Let it not be for a moment

supposed that it is for the sake of depressing the Mussulman element that the expulsion of Turkish rule is demanded. The large majority—two-thirds, or more—of the population is Christian. But the Mussulmans have almost as much to gain by a strong and just administration as the Christians have, and most of them would (when the passions of war had subsided) welcome the change. In all the regions that have been severed from the Turkish Empire during the last forty or fifty years—in Bosnia, for example, and in Bulgaria—the Mohammedans are better off than they ever were before. They are treated in Bulgaria with all justice by a Christian majority.

V. No one doubts for a moment that the Turkish Empire will before long come to an end, and that its days, in Europe especially, are now quickly drawing to a close. Why should the sufferings of the existing generation of its subjects be needlessly prolonged? or why should a large part of the existing generation be permitted to be exterminated by sword and famine, as the Turks are deliberately trying to exterminate them by the massacre of women and children as well as of men, by the burning of villages and by driving the wretched survivors to die of hunger in the mountains? The number of houses that have been destroyed in the vilayet of Monastir alone is estimated at 12,000, the number of refugees homeless and starving at 72,000. Since it is plain that the Turk must eventually go, the sooner he goes the better.

VI. The danger of a European war is conjured up now, as it was during the Armenian massacres of 1895-6, in order to find an excuse for delay. But the truth is that delay increases the risk of war, because it protracts a situation which becomes more menacing the longer it is left unsettled. It is suggested that Russia and Austria may come to blows over the ultimate disposal of the European dominions of the Sultan. If this ever happens—a calamity which may surely be avoided—it will not be brought any nearer by the immediate emancipation of Macedonia from Turkish rule. So far from leading to war, that course will tend to avert a conflict, by removing some of the chief elements of peril and allowing all questions that may subsequently arise to be dealt with more calmly and deliberately than is now possible. The action which Britain, France, and Italy are asked to take will be entirely in favour of a pacific settlement.

VII. What is the present duty of Britain, and what ought her policy to be? Whether it will be necessary to use force to compel the Sultan to submit to the emancipation of Macedonia is a matter on which it is hard to pronounce without knowing more of what has passed and is actually passing between him and the Powers. I believe, however, that if the Powers, or even a majority of the Powers, act together, he will submit at once, as he did at Dulcigno in 1880, under the pressure of Mr. Gladstone's Government, and as he did in

Crete a few years ago. If Britain, with the concurrence of France and Italy, who are believed to be in general sympathy with the policy of emancipation, were to take steps to apply force, the Turks would perceive that further resistance was useless. But in the first instance it is obviously the best course to endeavour to avoid the necessity for any recourse to forcible measures by securing the assent of Austria and Russia, as well as of France and Italy, to the measures which all the Powers know to be essential, but which the two first named have hitherto been slack in requiring; that is to say, the withdrawal of all Turkish control from the insurgent provinces and the establishment of an administration independent of orders from Constantinople. A European Congress has been suggested; but it is a slow process, and the right solution is so plain to those who have followed the similar cases of other liberated countries that it may be doubted whether a Congress is really needed. There have latterly been signs that the two neighbouring Powers, whose backwardness has exposed them to the charge of callousness, are beginning to recognise the need for more drastic action. Possibly this may be in some measure due to representations believed to have been made by the British Government, and to the remarkable display of feeling which we have seen in this country during the autumn. It may well be that the chilling and timorous evasions of

Mr. Balfour's most regrettable letter, with its half-apologies for the Turk, and its total failure to recognise the gravity of the question and the issues of national duty involved, did not represent the maximum of what might be looked for from the Ministry, and especially from the Foreign Secretary, who has, one is glad to believe, a real wish to better the condition of these provinces. Be that as it may, the present agitation can do nothing but good. Let us hold meetings; let us send up resolutions; let the will and mind of the nation find due expression. If the Ministry are disposed to act firmly, in the sense which the country desires, we shall strengthen their hands, and we may trust that the voice of Britain will awaken a responsive echo in France and Italy, and may help to rouse that all too laggard public opinion in Russia also. which ought to be now, as it was in 1876, a powerful factor in affecting the action of the Czar.

THE TEMPERANCE QUESTION.

BY RT. HON. LORD COLERIDGE, K.C.

WHAT fills our asylums and our gaols, what raises the Poor Rate, what poisons the home, what transmits its taint by heredity, what weights us in the industrial rivalry with foreign countries, what saps the moral and physical vitality of the race? It is Drink! We spend about £180,000,000 a year upon it.

Is there any remedy? Some countries forbid its sale. You cannot do that here. Preach temperance, say some; start coffee-houses, say others. The mainstay of the evil is the modern public-house, no longer the old tavern providing for the wayfarer good cheer, but shrunk into a drinking-bar, the source of vice and crime.

"Away with it," cries the abolitionist, "by local veto." But in those areas where it is the greatest evil, where the people are most wedded to their drink, the result would disappoint us, and where temperance predominates the evil is less paramount, while the outcry of deprived publicans and hard-hit brewers would split the welkin and delay reform. "Appeal to the Licensing Justices to reduce their number," cries the temperance

advocate. But if the Justices will not act you cannot make them, and they shrink from sacrificing comparatively innocent publicans to a theory of numbers, without which no drastic reduction can be made.

The bad elements of modern public-houses are these :

1. The quality of the drink supplied.
2. Undetected and constant evasions of the law regulating the traffic.
3. Devices for the promotion of the trade.
4. Insecurity of the tenure of the publican.
5. Practical exclusion of the sale of other commodities than drink.

If you could cure or minimise these evils you would strike a sounding blow for temperance.

The law treats the licensed holder as the substantial person interested in the licence. He is alone responsible for the conduct of the house. He must be constantly on the premises. To him the Justices look for the keeping of the law. To him the monopoly for a year is granted.

This is wide of the truth. The tied house system is all but universal. The real seller is not the publican but the brewer. The brewer owns the house, and in substance the fittings and goodwill, and supplies the drink. The publican is a mere caretaker. He must not go into the market like any other retailer and buy the best that offers. He must buy of the brewer, and of him only. As particular breweries own the public-

houses in whole districts, it follows that no one in those districts can buy any drink but that which they choose to supply. All healthy competition is removed. Monopolies produce bad goods. This kind of monopoly produces bad drink. It is difficult indeed for a publican to please the brewer and obey the law. He is liable to dismissal at short notice if he does not adequately "push the trade." The customer must drink, or out he goes. Every temptation lies before him to induce the public to consume the drink. He and the brewers anxiously count up the pints. If they fall short of what the brewers think ought to be sold, a more "active" publican is placed in charge.

Consequently the publican breaks the law—he sells to drunken men, he gets up games and clubs and similar devices to promote the sale of drink, he sells substantially naught else, for naught else interests the brewer.

The result is the widespread demoralisation of the publican and the public.

Can this be checked without rousing the opposition which the abolition of the licence must entail, without outstripping public opinion on the matter?

I think it can. My advice is this. Abolish the tied house. This, at all events, as a first instalment of reform, leaving open further changes to be made as public opinion may permit. I would not alter the discretion which the law gives to the Justices as to taking away the licences which

now exist. But I would make it compulsory for the Justices, in granting fresh licences or renewals, to be satisfied that the tenant to whom the licence is granted for the year cannot be removed by his landlord during the period of the licence, except for non-payment of rent, or breach of covenant to repair, &c., after due notice of breach, or for misconduct endangering the licence which he holds.

This would mean that from every tenancy agreement all covenants restricting the source of purchase, or inducing the tenant to restrict his source of purchase by reduction of rent if he purchases from a particular source, or requiring him to purchase a given amount, should be deleted. In a word, no covenant should be permitted fettering him in any way in the purchase of the goods which he retails. Also I would require the Justices to be satisfied that the tenant is not made the mere creature of his landlord by other means, such as being compelled to pay a sum by way of interest on mortgage or as rent, which the legitimate profits of the trade cannot afford, so as to enable the landlord to eject him—nominally because of non-payment of the interest or rent; really because he has not bought from him, and bought enough.

In fine, the Justices should be bound to satisfy themselves that the tenant is in the position of any other shopkeeper, where the landlord has no interest beyond the maintenance of the premises and the payment of the rent. Further, to protect

the publican, where, at the close of the year or at any time during the continuance of the licence, an application for the transference or renewal of the licence is made to the Justices, I would make it compulsory for the justices to be satisfied that the outgoing tenant is being removed on the ground of misconduct in the management of the house, or for reasons wholly unconnected with the amount of drink sold or the source from which it was purchased.

I know that these changes would add considerably to the work of the Justices, but I feel sure that it is work which they would willingly and loyally perform in the discharge of their important public duty.

Certainly this proposal falls far short of some of the measures which have been urged. It falls short of what I myself should approve. But it is a step in the right direction, and is on the lines of least resistance. Until you have the publican in a position of independence you have no hold on him. He has not sufficient interest in his trade to dread removal from it. It being the brewers' house, and he the mere caretaker, he goes along from hand to mouth, and the Justices have no real terrors for such as he. The brewers have more dread, but they can always pacify the Justices if anything is discovered by presenting to them a fresh applicant with a clean bill of health, to whom the Justices transfer the licence; and the game begins again.

The brewers will oppose this change, but the publicans and all their customers will welcome it. *Divide et impera!* It will tend to make the drink of better quality, and to make it to the vital interest of every publican to conduct his trade as respectably as such a trade can be conducted.

COLONIAL PREFERENCE.

MR. CHAMBERLAIN'S SCHEME.

BY THE RIGHT HON.

SIR CHARLES W. DILKE, M.P.

MR. CHAMBERLAIN'S proposals, as stated by him on the adjournment for the Whitsuntide recess, consist mainly of the following propositions: That the Empire cannot be kept together, but must break up, unless we give preferential duties to Colonial products, which cannot be on raw material and must be on food; that such duties on foreign food will increase the cost of living to the working class,¹ but will be compensated for by a rise in wage, and will produce a revenue which can be spent on old-age pensions.²

The obvious remark that if the preference to the Colonies succeeds in rapidly developing the Canadian wheat field the duty on American wheat must speedily cease to be productive, and that the old-age pensions will disappear, or have to be provided out of other taxes, has been freely made.

Mr. Chamberlain some years ago, when

¹ All the earlier speeches seem to admit this, but it appears now to be denied or treated at least as doubtful.

² Now also apparently dropped.

President of the Board of Trade, had asserted that taxes upon food, to which he was at that time opposed, would lower wages. He now, being favourable to them, states that they will be accompanied by a rise of wage.¹ The rise (if any) would certainly not be automatic. In the case of organised employment it would not be accomplished without friction, nor probably without strikes. In the case of unorganised employment, women's employment, and generally all ill-paid work, it would be problematical. The proposal appears to be for a 4s. or 5s.² duty on wheat, and a corresponding tax on meat, which would at first produce enough for what is called a thrift scheme of old-age pensions, giving pensions, in other words, to those who have been able to afford membership of friendly societies or other provision for themselves. These are pretty much the classes who might be able to secure an increasing wage. But those who would not be able to secure it would be the very classes who would not receive the old-age pensions. As regards all dangerous and unhealthy trades, the worker would be asked to run a great risk of loss by the increase of the price of his food, going possibly beyond any rise which he might be able to obtain in his wage, for

¹ All the earlier speeches seem to admit this, but it appears now to be denied or treated at least as doubtful.

² Now stated at a lesser figure, but not likely to be effective for its (Canadian) purpose unless as high as 5s. See Sir R. Giffen in the *Nineteenth Century* for January, 1904.

the sake of a provision for him at sixty-five, an age to which he can seldom hope to attain.

There was no ground for Mr. Chamberlain's belief that the Colonies can only be kept within the Empire by preferential benefits to their trade in food with us. These preferential duties were a failure when they were tried before, and they have been a failure in the case of foreign countries. The expressions of Colonial statesmen, which have been fully quoted, suffice to show that no expectation was entertained in the Colonies that any such preference would be granted in home markets. The Colonies, moreover, were perfectly loyal without it. The policy is inapplicable to the particular case of the Commonwealth of Australia, and any separatist tendencies which might exist in Australia could only be strengthened by a policy in the suggested interest of Canada and New Zealand being pursued regardless of special advantage to Australia.

If it is the case that wages would rise, as expected by Mr. Chamberlain after the adoption of taxes upon food, then our trade in other markets would be hampered. If it is the case that wages in some particular trades—the most highly organised—would rise, then the increased price—say, for example, of coal—must affect our export of British produce and manufactures upon which we largely live. In the last year for which we have the returns, our trade in British and Irish produce and manufactures to the American

continent was £56,000,000, of which our trade with our own colonies was £11,000,000, and our trade to foreign countries £45,000,000—about half to the United States, and about half to Latin America. This gigantic trade in British manufactures would be doubly hampered by the changes which Mr. Chamberlain has proposed. It is a trade in return for food which we receive, and Mr. Chamberlain would tax that import of food, and, by taxing it, admits that he would raise wages, which would affect the trade the other way. The effect of such changes all over the world on that enormous British shipping, mercantile, and banking interest, which constitutes almost a monopoly, may be conceived.

It is doubtful whether the policy of confining our purchase of food to our own dominions, so far as duties will confine it, could be maintained year after year. It is only the United States that send out food each year without enormous variations.

It is necessary to dwell for a moment on this question of variations in sources of supply of food. The yield of wheat by the acre from Canada is vastly greater than the yield of the acreage in Australia. Mr. Chamberlain has replied to a recent question on the subject in the House that the yield in Canada is twenty-five bushels per acre, and the yield in Australia seven and a-half bushels. The acreage under wheat in Australia was larger than in Canada, the yield far less. Similar questions to the Secretary of State for India have

shown that the still much larger area which is under wheat in India than in the whole of the Colonies put together, can only be increased on lands of the best class where soil and rainfall or irrigation facilities are suitable, and that all these lands are already occupied by valuable crops. Sir Howard Vincent's question was so put as to suggest that there had been a regular increase of the export of grain from India from 1846, when there was none exported, to the present time, when there is a large import from India. The Indian figures are far from clear, and differ, indeed, in answers given on June 22 and 26. There was a considerable import of flour from India to the United Kingdom in the latest year for which we have the figures, though it was less large than it was in 1898. But the fluctuations are extraordinary, and no article is so greatly affected from year to year by seasonal variations as is wheat, except in the case of the supply from the United States. Not only do the Indian figures vary—as, for example: 1897, 500,000 cwt.; 1898, 9,500,000 cwt.; 1900, nil—but the figures vary as regards our foreign feeders; thus Argentina, 1897, under 1,000,000 cwt.; 1900, 18,500,000 cwt.; 1902, 4,000,000 cwt.; Russia, which in 1888 sent us 21,500,000 cwt., in 1901 sent us only 2,500,000 cwt.; but, in 1902, 6,500,000 cwt. In other words, as regards wheat we cannot depend on Canada and India and Australia to supply our want, but must have the larger field which is afforded, if not

by the whole world, at least by the United States. In the case of barley, which is necessary for our whisky and our beer, inasmuch as in sunless years foreign barley must be used in some proportion, the seasonal fluctuations are almost equally important; and the fluctuations in the supply of meat are also great—not everywhere for the Australian cause, droughts, but because of the restrictions in the trade which are imposed either on account of or in the name of disease.

It is often suggested, especially by interested parties, that it is possible to force the growth of important fresh sources of food supply. Our new settlements in East and Central Africa have been defended on this ground. The last report that we have upon our East African Protectorate quotes Mr. Chamberlain as declaring during his visit that much of it is a white man's country, suitable for European colonisation and for the growth of wheat; and the Governor explains that it

“is not an ordinary colony. It is practically an estate belonging to his Majesty's Government, on which an enormous outlay has been made, and which ought to repay that outlay. Many millions have been expended on the construction of the railway; . . . the railway can only be made to pay by developing the countries through which it passes. . . . When Mr. Chamberlain was here he expressed the opinion that the future prosperity of the Protectorate might be found to lie in the export of wheat and wool. . . . I trust, therefore, that in view of the really great

possibilities offered for raising stock and growing corn, his Majesty's Government may see their way to assist the establishment of these industries."

A pleasant series of arguments for the British taxpayer ! He is first to spend enormous sums on conquering and holding down great territories, and then in making railways through them ; and having done this he is told that it is useless to have taken all these steps unless he spends his money on promoting the growth of wheat. When he has promoted it, then he is to put a tax upon the wheat that comes from cheaper countries, and to buy at an unnecessarily high price the wheat which he has thus painfully brought into existence.

It is worth while to return to the Australian case, for if Mr. Chamberlain's proposals hopelessly break down when viewed in the light of India, which has been forgotten, and Australia, to which they are inapplicable, they are destroyed. The country will never adopt them in the name of the avoidance of the disruption of Empire, on arguments derived only from the cases of Canada and New Zealand. There is no question of Free Trade with Australia. All authorised exponents of Australian official opinion belonging to the Protectionist majority inform us that Australian manufactures will continue to be protected against our own. There are proposals at the present time before the Commonwealth Legislature for the increase of the protection of the Australian

ironworks and other metallurgic industries against ourselves.

On the other hand, Australia sends us mainly raw material—wool and ores. It is impossible to touch the trade in wool, which is a trade in raw material or in merchandise for re-export by us, and Mr. Chamberlain and Mr. Balfour have both admitted this contention. The West Riding would be up in arms; Lancashire would expect similar taxation upon cotton for the benefit of our West African colonies; and the policy has been repudiated. There is no reason to believe that Australia can send us year by year any very large supply of wheat or beef or butter, and our people do not appear willing to cut off their supplies of French and Portuguese wines and to consume great quantities of Australian wine.

It is conceivable that by encouraging in Australia the bounty system, which in the case of sugar we have declared to be immoral, we might replace Danish butter in England by Australian butter; but the British and Irish dairy farmers would have the same reason to complain which the West Indian sugar-planters have successfully enforced. Australia cannot compete in beef, even with a large help of preferential duties, against South America; and the beef supply from Australia, depending as it does upon cycles of drought and rain, would in any case be most uncertain. A preference on her beef, her wheat, her butter, and her wine would also benefit only

certain chosen districts. Not only is it impossible to give Australia a preference in this country which would be worth her having, but it is not easy to conceive what preference in Australia we could ask for ourselves which would be worth much to our trade.

It has been argued by Sir Robert Giffen that there is virtually little or no Protection in the Australian tariffs, but there can be no doubt that the Australian Protectionists, who in Victoria and some of the other States are the democratic party, have constantly kept before the electorate the policy of resistance to a lowering of the standard of life which they declare would be the result of free competition with the factories of Great Britain or of India; and undoubtedly the existing Australian tariff is as low as the Commonwealth Parliament is likely at present to make it, and any preference would be rather by the raising of duties against the foreigner than by the lowering of duties on our own goods or on Indian goods. This view is enforced by an interesting document in Command Paper 8,449 of 1897, being the replies of the Governors to the despatch of the Secretary of State for the Colonies, known as "Trade of the British Empire and Foreign Competition." The Tasmanian report is worthy of special notice, because Sir Philip Fysh, a member of the first Commonwealth administration, who was at that time Treasurer as well as Premier of the colony,

replied to Mr. Chamberlain's despatch that the Colonies were and would remain Protectionist. But he said that if there were a preference given such as Canada offered, which he thought unlikely, there was not the slightest chance that the trade of the United Kingdom with its Colonies could grow in such a way as to compensate the United Kingdom for the harm which would be done to it.

The examination of the present figures in the light of the return which I have named yields facts which are of great interest. It has been calculated by an able writer in the *New Liberal Review* that there is £7,000,000 sterling worth of articles at present imported to Australia from foreign countries which we might conceivably replace, and he has suggested that we might possibly hope to win half of this amount. Many of the things, of course, which Australia buys from the foreigner are things which we do not produce for export, such, for example, as champagne and mineral oils; and some are difficult of analysis, being sold from England by firms which import portions of their manufactures from abroad, as is the case in very many of our trades, of which the piano trade may be taken as a type. It is also an interesting fact that the experienced Governors who have had to deal with these questions in the Colonies are most of them, if not all, opposed to the new policy, though many of them are Unionists in politics. Lord Jersey, for instance, is opposed to the

change, and he and others evidently feel that there is not much hope for our trade in the policy of the Commonwealth, which is unwilling to lower duties upon our goods, and only willing to raise them on foreign goods, chiefly goods which do not compete with our own and articles which the Australians must have. It is hoped, however, by many that preference might result in a certain strengthening of our position against the United States.

It is, indeed, easier to strengthen our position in Australia against the United States than against Germany, because it is easier to ascertain the country of origin in the one than in the other case. When Spain put us in the second column of her tariff for a time no harm was done to British trade, although the statistics of our trade were undoubtedly affected. Our goods went in as German. So undoubtedly some British goods go into Australia as German, because sold by German firms, and exported in German steamers; and some German goods go into Australia as British. In the Blue Book to which reference has been made it is explained how it was discovered that the galvanised corrugated iron shipped from Hamburg was of British manufacture, and that British straw hats went into Queensland as German. This argument as to country of origin is double-edged. It tells both ways. It may possibly be found that our trade in Australia is not, in fact, so large as it appears to be, and that German trade

is larger than the figures shew. On the other hand, it tells against all preference, as preference must depend entirely upon accurate ascertainment of the country of origin ; and certificates of origin have always been liable to fraud, a fact which strikes at the root of all possibility of preference.

It is admitted that the adoption of the Merchandise Marks Act has had a damaging effect upon British trade in the Colonies. It has, however, affected the appearance of the figures even more than it has the actual facts. It was stated by Mr. Chamberlain, in reply to an unstarred question in the House of Commons on July 16 that a considerable proportion of the apparent increase in foreign importations into the Colonies is to be attributed to the effect of the Act ; and, while the alteration in figures has been greater than the alteration in fact, there can be no doubt the Merchandise Marks Act has in some cases damaged British trade. For instance, a great exporter of British agricultural machinery was in the habit of exporting a considerable number of cheap thermometers along with every parcel of his goods. These he bought in Germany, and sold at a large profit. When he began to forward them marked " Made in Germany " the result was inquiry and the transfer of the trade to Germany, to the loss both of the exporter's profit and of the freight.

When we consider in detail the articles upon which our trade is supposed to have been displaced in Australia we find the following state of

things. Some apparel—that is, ready-made or slop clothing, from Germany—goes into New South Wales, and some into Queensland. The total for Australia is very small as compared with the slop clothing from Great Britain, as we should expect when we remember that there is an importation of slop clothing from the United Kingdom into Germany, as well as of slop clothing from Germany into the United Kingdom. There is not much margin for us to obtain increased trade, any more than there is in beer, another article which has been mentioned. The trade in cheap fire-arms is not sufficiently considerable to give much scope for increase, but it is a trade in which other nations compete actively with ourselves. As regards candles, an article in which it is said that we could obtain an increased trade, it must be remembered that other countries possess a great advantage over us as regards the raw material. In the chemical trade we stand far better in Australia than is generally supposed. The case of the watch trade is one where we are not ourselves able to contemplate with equanimity the exclusion of the cheap foreign article, especially that of the United States, from our own home market, so largely does the comfort of our population depend upon this article of foreign supply; and we can hardly expect the Australians to be more tender to the English clock and watch trade than we can afford to be ourselves. The glass trade is one in which Connany and Belgium everywhere press us hard,

and it is a trade, not very large, in which there would be room for some increase in Australia under preferential duties. So with the nail trade; while as regards wire we are wholly unable to compete in England with foreign wire, one of the articles in which our own manufacturers have the most completely gone under. The musical instrument trade is one in which Germany has come altogether to the front; but, on the other hand, the far more important trade in earthenware and china shews a predominance of England which is not generally believed in, but none the less true. Tools and agricultural machinery are the points in which the United States has the most easily passed us, on account of her inventiveness and the superiority of her products. It is difficult to believe that the Australians will consent to give such a preference to British goods in these classes as greatly to increase the cost of the agricultural machinery which they will continue to import from the United States.

There is another question which is closely connected with that of Colonial preference. We do not know what will be the outcome of the confused and varying evidence now being taken before the Commission on Food Supply in War; but it is impossible to omit from consideration the war view of this question. There is a general war advantage as regards food in receiving it from many Powers, but especially from the American continent in the case of a European war. Were

we attacked by a coalition, our food supply, coming as it now does mainly from the United States and from South America, would be looked after for us by the increasing fleet of the United States: the portion which came from Canada might perhaps be looked after by ourselves. The people of the United States have always been the great defenders of the rights of neutrals in war, and will be again, and our foreign enemies of a Continental coalition would not dare to vex the United States and bring them to our side by interfering with the rights of neutrals.

THE FIGHT FOR CHEAP FOOD FOR THE PEOPLE.

By ALFRED EMMOTT, M.P.

"IF you are to give a preference to the Colonies you must put a tax on food." So said Mr. Chamberlain in the House of Commons on May 28; and on June 26, speaking at the Constitutional Club, he added: "A system of Preferential Tariffs is the only system by which this Empire can be kept together."

I am asked to write on "Cheap Food for the People." Let me establish:

(1) The very elementary point that import duties on food in a country like this must raise the price of food by at least the amount of the duty.

(2) That the taxing of corn and meat with a preference to our own Colonies will cost the country far more than it will bring into the Exchequer.

(3) That wages do not rise and fall with the price of bread; indeed, that they are more likely to vary inversely.

(4) That the condition of the mass of the people in other protected European nations is much worse than in this country.

My first position is that import duties on articles of food which we import largely must, in the long run, raise the price of those articles by at least the amount of the duty. Let us deal with the matter theoretically and practically. Theoretically the price of wheat in the home market is the price of that portion of it which is most costly to produce, and for which there is a demand. We import more than three-fourths of the wheat we use, and the price is set from abroad for all practical purposes. If it falls, our farmers produce less; if it rises, they produce more. The governing factor for many years has been the price in the United States, plus the cost of bringing it over here. The effect of an import duty in such a market as ours would vary according to its amount. If it were comparatively a small duty it would not lead to any great increase of wheat-growing in this country. The price, therefore, would remain the cost price, allowing for usual profits, of the portion most difficult to produce abroad which comes to this market, plus the cost of carriage and the duty. If it were a large duty the effect would be somewhat different, but it is needless to pursue that subject, for no one suggests a large duty.

It is said that part, if not the whole, of the duty would be borne by exporting countries. That may be possible, in a falling or stagnant market, in the case of a small duty suddenly imposed, and during a very few weeks or months after its imposition. Otherwise the position is unthinkable,

for what does it mean if true? It means that by putting a 2s. duty on corn here we immediately lower the price of all the wheat in the United States by a similar amount. There cannot be two prices for the same article in the same market; so if the foreigner pays any small duty we put on here, he must take a lower price than he otherwise would sell at in his own market, not only for what he sells for export, but also for what he sells at home. If that were the case, and the price were lowered below the cost of production of the portion of wheat most difficult to produce, then a less acreage would be put under wheat until the price rose again to a paying figure.

So much for theory. Practically, the matter is simpler to deal with. France is almost self-supporting as regards wheat. There is no reason, therefore, why the price of wheat should be materially higher than it is in this country, even though there is a heavy import duty. What are the facts, however? The price in France is regularly and persistently higher to a great degree, and recently an answer given in the House of Commons showed that the price in France was 13s. 2½d. per quarter higher than our price, although the duty was only 12s. 2½d. *Mutatis mutandis*, the result in Germany is the same. Not many years ago Germany exported wheat, and whether there was an import duty or not the price was often lower there than in this country. Of late years Germany has imported wheat, and the

price is practically the same price as in this country, plus the import duty of 7s. 7d. per quarter. I might go on with Italy and other importing countries, but it is unnecessary. I may point out, however, that we import from abroad so enormously greater a proportion of the wheat we consume than do France or Germany, that, all the more as compared with them, we, and not the exporting country, must pay any duty we impose.

Having now shown, theoretically and practically, why import duties on articles of food which we import largely must, in the long run, raise the prices of those articles by the amount of duty, let me deal with the second point—that the taxing of corn and meat, with a preference to our own Colonies, will cost the country far more than it will bring into the Exchequer. Roughly speaking, the amount of wheat and flour produced in this country and imported from our own possessions is three-eighths of the whole. If we put a tax on wheat and flour from foreign countries, we shall raise the price per quarter at least as much as the tax; but the Exchequer receipts from the tax will only be five-eighths of the extra cost due to the price being raised. Thus supposing we retain for home consumption 62,500,000 cwt. of foreign wheat and flour, the amount received by the Exchequer, if the tax were 6d. per cwt., would be £1,562,500, but the amount that the country would pay owing to the increase of price would be £2,500,000. In reference to meat, a greater

proportion is raised at home or imported from our own possessions. The effect of a tax would be to raise the price in accordance with the tax, but the Exchequer would not receive more than one-half of the extra amount the country would have to pay. This is why it is impossible for Mr. Chamberlain to compensate for the increased cost of bread "by a proportionate decrease in some other articles either of consumption or that are necessary for the comfort of life." All our tea, sugar, and tobacco come from abroad. Any tax put upon them is paid upon every pound which is consumed in the country. The basis of taxation cannot be adjusted by transferring taxation from tea, sugar, and tobacco to corn and meat without its costing the country a great deal more than the Exchequer will receive.

Turning to the third point, that wages do not rise and fall with the price of bread—indeed, that they are much more likely to vary inversely with the price of bread—I may again treat the question theoretically and practically. Theoretically, the argument is that man must eat to live, and that when his income is limited, and food is dear, a greater proportion of his income must go in payment for food and a less amount for rent, clothes, furniture, travelling, and luxuries. When the price of food rises, therefore, the working man has a less margin to spend on these other items, and that must prejudicially affect the general trade of the country.

So much for theory; now for practice. I am content to shelter myself behind the authority of "An Economist," who has recently been writing to the *Times* in support of Mr. Chamberlain's views. In his third article he says: "I should maintain that, *ceteris paribus*, the chances are that in modern England a tax on the necessities of life, considered as an isolated expedient, would in no case be followed by an increase of wages proportionate to the tax. The economic history of England does not give much support to the view that a rise of wages necessarily follows an increase in the cost of living." So much for our modern economist. My next quotation is over 60 years old. On February 24, 1842, Cobden, speaking in the House of Commons, said: "Do you think that the fallacy of 1815, which I heard put forth so boldly last week, that wages rose and fell with the price of bread, can now prevail in the minds of working men after the experience of the last three years? Has not the price of bread been higher during that time than for any three consecutive years for the last twenty years? And yet trade has suffered a greater decline in every branch of industry during this period than in any preceding three years." There is no doubt, I think, of the facts in this case, and undoubtedly they had an important effect on the mind of Peel, and greatly increased the doubts he was beginning to feel of the efficacy of Protection.

Finally, on this branch of the subject, let me

appeal to the history of the last thirty years. Prices of foodstuffs, and of commodities in general, have fallen during that period—more particularly down to 1895—yet wages on the whole have materially increased. Whoever has heard during that period of a demand for an increase of wages being based on an increase of the cost of food? On the whole, demands have been made, and have been enforced, on account of good trade and general prosperity. I do not know of a single instance where a plea has been entered on account of the cost of food.

The last consideration I mentioned was an all-important one from the standpoint of the working classes, the relative condition of the mass of the people in other European countries. I say "European countries" advisedly, for obviously there can be no comparison between an old country like ours, whose exports must be preponderatingly manufactured goods, and a new country like the United States, whose exports are principally foodstuffs and raw material. A much fairer comparison can be drawn between this country and France or Germany than between this country and the United States. I leave France out of account, because no one suggests that France is forging rapidly ahead at our expense. All our fears and jealousies, so far as Europe is concerned, are centred on Germany, and if I can show that the condition of the mass of the people in Germany is far inferior to that of

the mass of the people in this country, it will not be necessary to make a comparison with any other European nation. Germany's great advance in the export of manufactured goods is not disputed, but it is a very much more doubtful question whether it can continue. A desperate effort has been made in that country to regulate the prices for the home market by syndicates and cartels, and to sell any surplus product abroad, even at a loss, in order to keep their manufactories at work. One extreme case is quoted by Consul-General Oppenheimer, in his report of the trade of the Consular district of Frankfort-on-Main for the year 1902, of the syndicate of German wire tack manufacturers, who are said to have made a profit of £60,000 in six months in their home market and suffered a loss of £43,000 on their export trade.

What is the result of all this? It has not yet had a sufficiently extended trial to enable us to judge accurately. This much we know. Up to 1900 there was a period of inflated credit. Then came an inevitable collapse with the failure of the Leipziger Bank. No such collapse occurred here. Since that time Germany has suffered severely from depression at home, although her export trade has been maintained. She has, in fact, been selling her goods abroad at any price obtainable, whether it showed a profit or loss. Consul-General Schwabach, in his report on the trade of Germany for 1902, says: "It must not

be forgotten that the flatness of the whole market led to an export trade, which was in many cases unremunerative, to use no stronger expression." Now Germany is not strong enough, financially, to cultivate a permanently unremunerative export trade for the sake of her home manufacture. The more her foreign trade is pushed at a loss, the more her people at home suffer from the high prices charged by the syndicates in Germany.

Last year she constructed a new tariff at the behest of the agrarians. It is not yet put into force.

A Government Commission has been appointed to investigate the effects of trusts, syndicates and cartels on the welfare of Germany. A "grand inquest" of a much more scientific character than ours is going on there. This very fact shows that all is not well with them.

The German Factory Inspectors give a depressing account of the effect on wages and employment of the slump in trade which has followed the crisis of 1900. In the Berlin factory district an increase in 1902 of 10,150 unemployed—four-fifths adult men—and a large number on short time. At Essen 12,000 applicants for 4,000 posts. In Westphalia "playshifts" and decrease of wages. In the Reichenbach district "the standard of life of the working classes has been worsened." In the machinery industry of the Chemnitz district the male workpeople decreased from 23,719 in 1900 to 20,799 in 1902. In the Grand Duchy of Baden,

restriction of output and reduction of wages, and so on, and so on.

What is the position of the German workman at present as compared with that of English operatives? Probably the worst paid English labourer is the farm servant. His wages vary in different parts of the country, but they probably average fully £43 15s. a year. In a typical German province the wages are £25 7s. for a man, £5 10s. for his wife, and £5 for two children, or £35 17s. in all, compared with the £43 15s. earned by the man alone in England. It is the same with other classes of labour. Sir John Brunner tells us the average daily wage of a worker in alkali manufacture is 22 per cent. less in Germany than in England. Turners, fitters, smiths, joiners, pattern-makers, railway porters, shunters, points-men, locomotive firemen, all earn from 20 per cent. to 40 per cent. less in Germany than in England.

As they earn less, so their standard of living is lower. Wheaten bread is a luxury to them, for the price of wheat is higher through the duty. They eat black bread instead of white, and less meat, and much of what they do eat the English working man would turn from in disgust.

My point is proved. We are asked to imitate Germany. The great expansion of German trade has led to widespread depression there, while our condition has remained eminently satisfactory. We still eat as much wheat-flour and meat and

tea and sugar, smoke as much tobacco, and drink as much beer as ever. We shall want a good deal of persuasion to make us change to a diet of black bread and horseflesh, and a home market kept at an artificially high figure by import duties.

PROTECTION AND THE UNITED STATES.

By GEORGE P. GOOCH.

THE flourishing economic condition of the United States is sometimes attributed to their high tariff. A little reflection will show that this prosperity must be explained by other causes. Any comparison between Protectionist America and Free Trade England is vitiated by the fact that they are incommensurable. The United States is about thirty times the size of Great Britain; the one is a country, the other a continent. The United States possess every kind of soil and climate, and their mineral resources are unequalled in extent and variety. With the Civil War began a period of expansion unparalleled in history. The American Union is the greatest Free Trade area in the world, for there are no commercial barriers between the component parts; and the rapid extension of railways, culminating in the great trans-continental lines, have opened up the grain States west of the Mississippi. At the same time, a series of inventions gave a great impetus to the industries of the Eastern States.

To recall these facts is to say that the demand

for labour in the United States during the last generation has been unprecedented. An immense estate had to be developed. The foreign immigrants were for the most part unskilled, and the American working man has been able to demand and obtain a high wage, both industry and agriculture competing for his labour. Besides, he has shown himself a very efficient workman. It is unquestionable that he possesses and expends more nervous energy than any other. We know, too, that drunkenness is far less common than with us, and that more thought and money are spent on education than in Great Britain.

Do not these considerations of themselves explain the prosperity of the United States and its workers? Is it necessary, or even possible, to account for it by a tariff in face of these stupendous natural advantages? The most recent and one of the most authoritative writers on the economic development of the country declares that the power of the tariff, whether for good or evil, has been vastly overrated. High duties were imposed during the Civil War to raise money, and the war tariff was continued in time of peace. No such customs system could have been built up except under the pressing necessity of revenue. Many industries, partially if not wholly dependent on the tariff, grew up, and the responsibility of causing their downfall was too great to be lightly undertaken.

The effect of the high tariff has naturally been

exceedingly favourable to the shareholders in the protected industries. Protection means the artificial narrowing of the market; and the narrower the market the easier it is for trusts and monopolies to arise. The dominant feature of the industrial life of the United States during the period of the high tariff has been the Trust. Protection is the mother of Trusts, and Trusts are, as a rule, only another name for monopoly. When the influx of foreign goods is stopped, the home market is left at the mercy of men who find it wiser to raise prices by agreement than to reduce them by competition. In this way have arisen the giant fortunes which are the wonder of the world. It is often claimed that the high tariff has allowed certain industries to come into existence; and Mr. Chamberlain has recently quoted the creation of the tin-plate manufacture by the McKinley Tariff. But will it be maintained that the American people benefited thereby? The exclusion of English tin-plates allowed the directors of the new-born industry to fix their own price; and they fixed it at a sum only a trifle less than the price of the English article plus the enormous duty. In other words, the tin-plate manufacturers take advantage of the tariff to sell their goods at a monopoly price. In whatever direction we turn, we find that Protection thus means the benefit of the few at the expense of the many, the securing of enormous profits and the raising of prices to the consumer.

An amusing instance of the working of the system is seen in the nickel trade. A high tariff—practically excluding foreign nickel—has allowed a certain individual to establish a monopoly in the home market, out of the proceeds of which he has endowed a professorship at Philadelphia, the holder of which is bound to inculcate the virtues of Protection.

We frankly admit, then, that Protection is advantageous to those who are lucky enough to have invested their capital in protected industries. But what of the workers? We know that wages in England are the highest in the world, except in America; but if we are to know whether the American workman is better off than the Englishman we must know not only what he receives in wages but what the purchasing power of his wage is. In England money wages have largely increased; and we learn from the Board of Trade Blue Book that 100s. will now buy what cost 140s. a generation ago. In the United States, on the other hand, prices have gone up rapidly, whereas wages are now stationary or declining. The report of the recent Mosely Commission helps us to determine the relative position of the English and American working man. In certain trades wages exceed those paid in England by about 20 per cent.; but what is their purchasing power? The three chief items of a workman's budget are food, rent, and clothes. Looking down the list of answers given by the Mosely Commissioners,

we find that the price of food is considered to be almost exactly the same as with us. No more striking vindication of the policy of free imports is needed than that bread and meat are to be bought in England for much the same sum as in the country from which such a vast quantity of these articles comes. But when we pass to rent, the report informs us that the American worker has to pay from 50 to 100 per cent. more for house-room than the Englishman; and that while it is possible to buy inferior shoddy clothing as cheaply as in England, better, warmer, and more durable clothes can only be obtained at a price twice, or even more than twice, that which we pay in England. For these reasons the boasted economic superiority of the American workman, when closely examined, tends to disappear. Those in receipt of high wages suffer from the inflation of prices caused in the first place by the tariff, and in the second by the monopolies which grow up behind it; while for those who do not earn high wages the struggle for life is terrible. Strikes are as frequent as with us, and irregularity of employment no less.

When it is said that America is in favour of a high tariff, it is forgotten that one of the two great parties of the State is its sworn enemy. The Democrats have recently issued tables to show that the working man is mulcted of 10 per cent. of his earnings by the tariff. The Republican party, which has been in power for the greater

part of the period since the close of the Civil War, is the slave of the great capitalists. The unholy alliance between politics and finance is the plague-spot of American life; and it is the corruption, bred of Protection, which has led men of high character to leave politics to those of less squeamish temper.

EDUCATION PROBLEMS.

By CORRIE GRANT, M.P.

THERE is no question of greater interest at the present time than the question of Education. Experts agree that we are sadly behind foreign countries in technical and secondary education, and that we must increase our efficiency if we are to hold our own with competing nations. To the Liberal party, also, the question is one of the first importance. No one regards the Act of last year as final. Professor John Massie probably speaks the sentiments of the great bulk of Nonconformists when he says: "We regard the Act as a legalised outrage unparalleled in our day and as a criminal misuse of a chance majority." More than 800 Free Church Councils in England and Wales have pledged themselves to make this the test question at the next election. Lord Spencer, "speaking for himself and his colleagues, the leaders of the Liberal party," has declared that the question of education is "a matter of vital importance," and that the Liberal party "will promptly and effectively remove the injustices and errors of the Act of last year" as soon as they come into power. Under these circumstances what is it, exactly, that is demanded?

It is practically acknowledged that a return to the old order of things is impossible. The School Boards have gone ; Education has become everywhere a State matter ; and we must move along these lines of development to do justice and remove grievances.

Dealing with the points at issue in their order of importance the following three things are essential :

- (1) Public control.
- (2) Freedom of teachers from theological tests.
- (3) The settlement of the question of denominational teaching.

(1) *Public Control*.—The least that can here be asked for is that the constitution of the managing bodies of non-provided schools shall be changed from four foundation managers and two popular representatives to four popular representatives and two managers. So far as I can ascertain on this question there is very little difference of opinion among fair-minded men. There can be no question that such control would have been given by the House of Commons if Mr. Balfour had given expression to the wishes of the majority of the House, instead of submitting to the dictation of the clerical section. A minor matter connected with this head is the removal from Education Committees of all sectarian representatives. Many County Councils have already wisely excluded such persons from their Committees. It is also essential that women should be qualified to

sit on County and Borough Councils, and so to be members of Education Committees.

(2) *Freedom of Teachers from Theological Tests.*—Quite apart from legislation this is a question which I believe will ultimately settle itself in administration. With the provision of more training colleges, Church pupil teachers will lose the advantage that they have hitherto enjoyed, and efficiency will in future depend not upon creed, but upon ability. I expect, also, that much more importance will be attached in the future by managers of schools to the capacity of the teacher, and less to his denominational beliefs. The attendances will be much more strictly looked after, and the demand for first-class teachers will in the next few years be very great. Many Churchmen, too, regard the maintenance of a creed-test for teachers as an injustice. This second head, I believe, therefore, will ultimately become a necessary change, but none the less it must be included in our list of present-day essential conditions.

(3) *Denominational Teaching.*—This is the *crux* of the situation. On one hand are those who maintain that parents are entitled to have their children taught in the public schools and out of public funds the denominational creeds they themselves believe; and, on the other, those who refuse to pay for teaching to others which is contrary to their own convictions. The first thing to determine is what is wanted in the public schools. Is not this that the schools shall be open to all,

that all the children who come to them shall be equally treated ; that no child shall be required to take any part in religious teaching to which its parents object ? Then what is to be the religious teaching given ? Can we do better than adopt a system which has already worked well ? Let the managers of each school settle what is to be the religious teaching in the school : whatever syllabus they decide upon, that teaching must be given by the teachers in the school hours, with, of course, liberty to the parent to withdraw the child from the teaching if it is objected to. If any parent demands that particular denominational teaching shall be given to his child, then let that be given out of the school hours by a properly-qualified person. I do not believe myself that this will be a serious burden. There can be no doubt that the parents of this generation, at any rate, are thoroughly satisfied with the religious teaching given in the Board Schools. If this has been the experience all over the country, wherever Board Schools have been established, I think there can be no reason to expect that any different feeling will be forthcoming among parents who have hitherto sent their children to denominational schools, when these come under public control.

It will be asked who is to give the denominational teaching ? Is it to be one of the staff of the school, or a minister of the denomination ? The answer must depend upon local circumstances, and the decision will rest with the popularly elected

managers in every case. Church clergymen (who would usually be available) are not as a class good teachers. The Nonconformists have largely to depend for the conduct of their Sunday worship on local preachers who are unable to give help in denominational teaching on week-days. When such teaching was demanded by Churchmen or Nonconformists the managers would probably be able to arrange for it to be given by one of the staff; this is certainly the better course, in the interests first of the children and next of order and authority in the school.

These proposals will be objected to on the ground that the citizen will be called upon to pay for the teaching of doctrines in which he does not believe, and even in some cases for the spreading of dogmas which he detests as false. "How can I agree to a settlement," some will say, "which makes me pay for teaching a dogma which I believe to be false and heretical?" On the other hand, the Agnostic will retort that it is equally unfair to make him pay towards the maintenance of schools in which religious teaching is given by the whole staff every morning. The answer to these objections is, first, that under public control every citizen has an equal voice in the settlement of the educational affairs of his locality; second, that if every citizen obtains for his child the teaching that he desires he ought to be willing to allow to every other citizen the same liberty; third, that in a democratic state each citizen must

be called upon to pay part of the cost of acts of which he disapproves, as, for instance, the teetotaler disapproves of expenditure on canteens, and the peace man of expenditure on munitions of war; and lastly, and most important of all, because practically conclusive, that the only fair alternative is absolutely secular education, which has been rejected over and over again in overwhelming majorities by the English people.

Do these suggestions meet the case of the Churchmen, the Catholics, the Jews, and the Agnostics? The Churchmen and the Agnostics obtain all that they want by the power of withdrawal and the right to special teaching. The difficulties of the Jews are probably limited to a few great towns, and mainly to the East-end of London, and the provision of special schools like that which now exists at Whitechapel will probably be sufficient. The case of the Catholics is more difficult, but they have already established and maintained their own schools in those parts of the country where they have many adherents, and the provision for their special needs in other places can with justice be left to the individual managers concerned, as in the case of other minorities.

I am quite aware that the points suggested do not cover all the matters in dispute. I do believe, however, that these are the main issues, and everyone will agree that the fewer the points upon which we concentrate our efforts the better. We

want a citizens' free school, and we want equal opportunities of education for every child in the land, whether in the city, the town, the village, or the secluded and remote cottage. We want to put Education first. We want to ask nothing which is not reasonable and fair. Acting in this spirit, I believe that men of all parties can accept the three points specified as the main conditions of a settlement.

THE HOUSE OF LORDS.

BY GEORGE GREENWOOD.

THAT the veto of the House of Lords must either be greatly restricted or abolished altogether is a proposition which for many years past has always been greeted with cheers at Liberal meetings throughout the country. Resolutions to that effect have been again and again unanimously carried at the annual meetings of the National Liberal Federation. Such resolutions usually stand in some such form as the following : " That this Council maintains its firm conviction that Parliament will never be really representative and efficient until the House of Lords is rendered powerless to prevent the passing of any bill deliberately approved by the House of Commons, by depriving the Upper House of the power of veto which it at all times possesses but which it only uses to defeat or mutilate legislation passed through the House of Commons by a Liberal Government." (Carried at Nottingham, March, 1900.)

There is, therefore, practical unanimity as to the object in view. The difficulty arises when it is asked how that object is to be achieved ; but

unless all this tall talk is merely to end in smoke it is, I conceive, high time that Liberals should consider the subject in a practical light, with the view of arriving at some plan of operations which may be carried into effect when the party once more comes into power—an event which, as we confidently hope, is now not far distant. For it is certain that if the veto of the Lords be left intact, the next Liberal Government, should they attempt—as they must attempt—to pass measures of far-reaching democratic reform will find that they are again, to quote Mr. Asquith's historic expression, merely "ploughing the sands of the sea-shore."

It may be well, before we pass on, to consider for a moment the constitution of the House of Lords. In 1902 that House had upon its rolls the names of five hundred and ninety "Lords Spiritual and Temporal," though, except when some great Liberal measure is to be opposed, comparatively few of these august personages think it necessary to attend in the Gilded Chamber. The "Lords Spiritual" are the two Archbishops and twenty-four Bishops of the Established Church. No more striking example could be given of the patient (not to say pusillanimous) endurance of the British people than the fact that these dignitaries of the State Church should still be endowed for life with a vote in this legislative assembly. Needless to say they have, with very few exceptions, always shown themselves the creatures of privilege and prejudice,

and the bitter opponents of all measures of enlightened progress and reform.

The "Lords Temporal" include, besides four "Princes of the Blood" and four "Law Lords" who hold life peerages, forty-four so-called "representative" peers, viz., sixteen peers of Scotland, and twenty-eight peers of Ireland. The "representative" peers of Ireland are elected for life by the Irish nobility. The "representative" peers of Scotland are elected for one Parliament only by the Scottish nobility. Thus Liberal Scotland and Nationalist Ireland are "represented" in the House of Lords by a solid phalanx of Tory Peers! The remaining peers are our "hereditary legislators." Now in feudal times it was no doubt natural enough that a great lord's title and privileges should descend to his heir; but that this principle should be still in operation in this twentieth century, to the extent of making a man's seat in one of the legislative chambers hereditary, is a flagrant instance of the manner in which the perverse ingenuity of man is apt to thwart nature by securing the survival of the unfittest. If a prosperous brewer who has "made his pile," and who has always voted with his party, wishes to be known for the remainder of his life as Lord Bung, there is perhaps no very strong reason why his desire should not be gratified. But to endow him with a seat for life in Parliament is preposterous; and to provide that such seat shall descend to his heirs, so long as his posterity shall endure, is mere

midsummer madness. If it were necessary to have a Senate there might be a case for giving the successful lawyer, or even the successful soldier, a seat in such assembly ; but as it is by no means improbable that the sons and grandsons, whether of an Attorney-General or an Army General, will be "fools or worse," to give a legislative vote to the posterity of these men "in tail male," simply because they have done us the honour to be born (not altogether a unique distinction), seems a sort of political *non sequitur* such as we should only expect to find in one of Mr. Gilbert's topsy-turvy comic operas. For

"What can ennoble sots, or slaves, or cowards ?
Alas ! not all the blood of all the Howards !"

I do not propose to give a catalogue of all the great and useful measures of reform which have been delayed or indefinitely postponed owing to the prejudices and obstructive tactics of the House of Lords. Such an inquiry would far transcend the limits of the space allotted to me. There are many historical and political works and pamphlets which will provide the reader with full information of this branch of the subject. He might profitably begin with the year 1810, when a Bill to abolish capital punishment for the offence of shoplifting to the value of 5s., which had been carried in the Commons, was rejected in the House of Lords by a majority which included seven Bishops, not one prelate being found to vote in favour of reforming

a law so barbarous and so inhuman. If the student will carry his researches from that point down to the present time, he will find that his study, though certainly prolonged, has been by no means un-instructive. As John Bright well said: "We are always told that the Peers are necessary as a check. If that is so, I must say they answer their purpose admirably!"

And it is not only by rejecting Bills that the Lords obstruct progressive legislation, for when they dare not reject their constant practice is to mutilate Liberal measures in such a manner as to deprive them of all vitality and of all real power for good. An instructive instance of this, and, at the same time, of the very different manner in which the Lords behave to a Tory as compared with a Liberal Government, is afforded by their conduct with regard to the question of Local Government for Ireland.

"There was a Bill," said Mr. Gladstone, speaking at Edinburgh in 1893, "for introducing municipal institutions into Ireland. The House of Lords threw out that Bill year after year for, I think, six successive years; and when they consented to its passing they cut it down in point of scope and in point of provisions in such a way that the municipal institutions of Ireland, although better than nothing, are such as England or Scotland would reject with contempt."

Yet when the Tories, not long ago, brought in their Local Government for Ireland Bill, the House of Lords, which has been well described as merely

an additional wing of the Carlton Club, were as usual the Government's most obedient humble servants. They are, indeed, little more than a mere registering assembly so long as the Tories are in office. They killed the Liberal Employers' Liability Bill, but meekly took the Workmen's Compensation Act from the Tories. They strain at a Liberal gnat but swallow a Tory camel. Who can doubt, for instance, what would have been the fate of Mr. Wyndham's Irish Land Purchase Bill if it had been the work of a Liberal Government? It would have been rejected with scorn and contumely.

But this is not all. The Lords exercise their malign influence on Liberal Bills before they are introduced into the House of Commons. A Liberal Minister, in framing any measure of reform, has always the fear of the Lords before his eyes. He has to consider not what is best for the country, but what he may have a chance of getting through the Upper House. Thus is many a good measure paralysed from its very birth. The "evil eye" of the Lords rests upon the unhappy infant, and lo! it withers away!

But no account of the Upper Chamber would be complete without Mr. Chamberlain's famous description, delivered at Bingley Hall in 1884, which has now become the *locus classicus* on the subject.

"The House of Lords," said Mr. Chamberlain, "for one hundred years has never contributed one

iota to popular liberties, or done anything to advance the common weal; and during that time it has protected every abuse and sheltered every privilege. It has denied justice, and delayed reform; it is irresponsible without independence, obstinate without courage, arbitrary without judgment, and arrogant without knowledge."

This is, indeed, a somewhat exaggerated description, quite after the manner of a politician who is always thinking more of the effect which his words will produce than of the obligations of strict veracity; but as Mr. Gladstone said when quoting the passage at Edinburgh in 1893: "It is a statement in which I painfully acknowledge there is much substantial truth."

Nevertheless Liberals should beware of proposals to reform the House of Lords. No doubt the exclusion of the Bishops, and a system by which more truly representative Peers might be elected for Scotland and Ireland, would do something to improve the Upper House. But a reformed House of Lords would be a strengthened House of Lords. A reconstituted Second Chamber, based upon a brand new statute of the Imperial Parliament, would, in the event of a conflict with the popular Chamber (a contingency certain to occur sooner or later), be in a position to assert its rights in opposition to the will of the people with a strength and confidence which our "hereditary legislators" can neither feel nor claim. The only thing, in fact, which we can

contemplate with any approach to satisfaction in the House of Lords as it at present exists is its essential weakness, due to its unrepresentative character, and the obvious absurdity of the hereditary system. To give new title-deeds to the House of Lords can never be an article of the Radical programme.

But, it may be asked, "Why all this talk about reform? What we want is the abolition of the House of Lords!" I will not stop here to discuss the question of the necessity of a Second Chamber. For the present it seems to be a sufficient answer to the proposal to "abolish the House of Lords" that it can only be effected either by the willingness of the Peers to "commit suicide" by passing a measure for their own destruction or by a revolution. Neither of these solutions seems at present to be within the range of practical politics, however desirable such proposed reform may be.

A more practical solution of the difficulty seems to be the limitation of the veto of the House of Lords. Thus, it might be provided by Act of Parliament that the rejection by the Peers of a Bill sent up to them by the Commons should only be operative for a limited period, after which, in the event of the same measure again receiving the sanction of the popular chamber, it should become law, whether or not the Peers should be willing to agree to it.

But how, it will be asked, are the Peers to be

induced to pass such an Act, so seriously limiting their powers? Here we have an invaluable precedent in the course taken by Lord Grey in 1831 in order to coerce the Lords into accepting the Great Reform Bill. Lord Grey obtained from King William IV. his written authority to create as many new Peers as might be necessary to secure a majority for the measure in the Upper House. The mere threat was sufficient, for rather than see their "Gilded Chamber" flooded by a number of upstart Peers the Lords gave way, and the Reform Bill became law. It has been suggested by a high legal authority in the Liberal Party—and the suggestion seems worthy of very serious consideration—that the Prime Minister designate of the next Liberal Government, whoever he may be, should refuse to form a Cabinet unless he be armed with a similar authority from the Sovereign, viz., an authority to create, if it should be requisite, so many new Peers as may be necessary to secure the passing of a Bill to limit the veto of the House of Lords. This done, the snake, if not killed, would at least be scotched; and no measure which the Commons were determined to pass into law could be long delayed by the obstruction of a few irresponsible and unrepresentative Peers. We should no longer be "ploughing the sands of the sea-shore."

The problem is no doubt a difficult one, but it is obvious that some decisive action must be taken, and it is surely time that Liberals should endeavour

to arrive at some clear conception of what ought to be done, for, as Mr. Gladstone said, in the last speech which he delivered in Parliament :

“The question is whether the judgment of the House of Lords is not merely to modify, but is to annihilate the whole work of the House of Commons, work which has been performed at a sacrifice of time, labour, convenience, and perhaps health, totally unknown to the House of Lords.”

This reform, then, was solemnly committed and commended to us by our great Leader ; and this, surely, is one of the first and most important questions which Liberals have to consider. For the limitation of the veto of the House of Lords is the condition precedent to all efficient democratic legislation.

[*Written September, 1903.*]

PREFERENTIAL DUTIES.

By RT. HON.

SIR WILLIAM HARCOURT, M.P.

WE are told that we are "threatened" (that is the phrase of the Duke of Devonshire) with a discussion next October which has for its object to reverse the policy of Free Trade, under which this nation has grown, and is growing still, in the prosperity, wealth, and contentment of the people. It is a remarkable circumstance that this "threat" should proceed from a colleague of the Duke who is like a "veiled prophet," to propound, at his own convenience to the nation a plan for which he has not obtained the assent either of the Government or the party to which he belongs. He has told us mighty little about his plan except that it is to tax the food of the people of the United Kingdom in order to secure the loyalty of the British Colonies. The object aimed at is superfluous, and the means proposed are mischievous. The Colonies are as loyal as anyone could desire, and they have shown it by deeds even beyond our hopes. What is the pretence

therefore, for an attempt to revolutionise our whole fiscal system, to establish a protective tariff, and to disturb our vast trade with the world? It is said that we must bind the Colonies to us by ties of interest. At present they are united to us by bonds of brotherhood, of pride, and of affection. They have shown how ready they were to shed their blood for us in our difficulties. But this is not enough for Mr. Chamberlain. We must be united by obligations of "interest" or the Empire will be lost. We must bargain for preferential tariffs. And the indispensable condition of preferential tariffs is, he informs us, taxation of the food of our people, and probably of the raw material of our manufactures. That, as the Duke justly calls it, is a threatening challenge. If it is to be dealt with as a question of "interest," I suppose it means the "interest" of both parties. If we are to deal with the Colonies on a footing of bargain and sale we must inquire—How does the balance of interests stand? With his accustomed frankness and good sense the Duke of Devonshire has put the practical issue plain and straight in his speech to the Empire League:

Englishmen boast that they are a plain-spoken race; and I do not think that the least plain-spoken among the British race are those who dwell in our Colonies—(laughter)—and I think that it would be well that we should both speak to each other on this great subject in the plainest possible terms. We are bound to let the Colonies know that this question has reached a

stage—that this question, which was started as a Colonial one, has reached a stage almost at its very inception—in which it has become far more a question of internal British politics than even of Colonial politics. I am sure that our Colonial countrymen will not resent it if we make them understand, as I think in honesty we are bound to make them understand, that this question has reached a practical and is no longer in a sentimental stage. Sentiment and business are each of them very good things, but I do not think that much advantage is derived from attempting to mix them up together. It is sentiment which binds the family together. It is sentiment which induces every member of a family to come to the rescue and assistance of any other member who may be in difficulty or distress; and it is similar sentiment which does, and I think always will, chiefly bind our Colonies to the Mother Country. But I do not know that very much advantage is found when members of a family who have set up for themselves in business attempt to conduct that business with their parents or with each other on purely sentimental principles. If we keep in view, as we are always bound to keep in view, as our first object, the maintenance, strength, and prosperity of this great Empire, the cardinal, the first question, which an Imperial statesman has to consider is the strength, prosperity, and welfare of the centre; and I am sure the Colonists will not resent it if we tell them plainly and clearly that if we are induced to assent to any considerable changes in our fiscal and commercial arrangements, which we have hitherto thought conducive to our interests, we shall do it in our own interest, and not simply for the purpose or as a means of conciliating their goodwill.

It is well that this matter should be emphatically stated—that the cardinal, the first question which an Imperial statesman has to consider is the

strength and prosperity and welfare of the centre of the Empire, and that if we make any changes in our fiscal system we shall do it in our own interests, and not simply as a means of conciliating the goodwill of the Colonies.

Let us consider, then, what are the benefits we confer upon the Colonies, and what are those we derive from them? We undertake from the oppressive taxation of our people practically the whole burthen of the defence of the Colonies. Mr. Chamberlain stated to the Conference last year that "the charge of our military and naval expenditure amounted to 29s. 3*d.* per head of the population of the United Kingdom, and in the self-governing Colonies it amounted to sums varying from 2s. to 3s. 5*d.* He asked whether that was a fair distribution of the burthen of empire. Could it be expected that the United Kingdom could for all time make this inordinate sacrifice? It is owing to its duties and obligations to its Colonies throughout the Empire, it is owing to its trade with the Colonies—a trade in which they, of course, are equally interested with ourselves—that the necessity has been cast upon us to make these enormous preparations." As the result of the Conference certain small contributions were agreed to, amounting in the whole to a sum which did not greatly alter the enormous disproportion of burthen as between the Mother Country and the Colonies. On this head, therefore, there can be no question that in the balanced

“interests,” the Colonies have immensely the advantage. Let us see how the matter stands on the balance of trade and commerce. We have given to Canada, Australia, and New Zealand, and the Cape and Natal, an autonomy which does not belong to India and the Crown Colonies—the absolute right to deal with their taxation and tariffs as they think fit in their own interests. We give them a free market for all their produce and manufactures, and we are their best customers. They, on the other hand, have placed heavy duties on our exports to them, partly for revenue and partly to protect their own industries. Here again the balance of interest is heavily on their side, and to our disadvantage. What, then, is it proposed should be done in order to bind the Mother Country and Colonies by ties of mutual interest? Is it to equalise the burthens as between the two parties? On the contrary, the first demand propounded by Mr. Chamberlain is that a further sacrifice shall be made by imposing a tax on the food of the people of the United Kingdom, and pretty certainly on the raw materials of their manufactures. Our burthens, therefore, already too great, are to be aggravated by taxation of the most odious and the most unequal character. The Colonies are to impose no new taxes, they are only to remit them. Whilst our food is to be taxed theirs will be free. Is that dealing fairly by the “centre of the Empire”?

What is, then, held out on the other side to

redress the balance? Nothing but a vague suggestion of a reduction in favour of British trade of a certain fraction of the heavy duties now levied in the Colonies upon it. What is to be the amount of that reduction, and what will be its value? That we are not told. We are informed that at the Conference last year "the Prime Ministers of the Colonies undertook to submit to their Governments the principle of preferential tariffs, and to request them to seek occasions to give effect to it." Though we are told expressly that we are to put a tax upon food, we are not informed what the Colonial Governments are on their part to give us in exchange. We are told it is to be a reduction of their hostile tariffs against British trade. More than a year has passed, and we have no definite information on the subject. In the report of the Conference we read (p. 3):

"Australia: Preferential treatment not yet defined as to nature or extent; New Zealand: A general preference of 10 per cent.; Cape and Natal: A preference of 25 per cent."

We may form some judgment as to the value of such concessions by the outcome of the grant of a preference of 33 per cent. by Canada five years ago. The history of this matter is deserving of close attention. Mr. Chamberlain says in his report of the Conference last year (p. 7):

In 1897 the Premiers of the Colonies unanimously undertook to consult with their colleagues, and to

consider whether preference might not be given in their Customs Tariffs for goods imported from the United Kingdom. This was a proposal without reciprocal obligations. It was regarded by the Premiers at the time as a proposal which might be made in consideration of the fact that the United Kingdom was the largest, the best, and the most open market in the world for the products of the Colonies. But nothing has come of the resolution up to the present time. No step has been taken to give effect to it.

This is a most important statement in its bearing on the present discussion. Mr. Chamberlain and all the Colonial Premiers were of opinion that a preference should be given by the Colonies in their Customs Tariffs for goods imported from the United Kingdom, and that without any reciprocal obligation, the equivalent being already supplied by the free access in the United Kingdom for all the Colonial trade. What has happened to alter that situation? Why, now, is the "reciprocal obligation" put forward, in the shape of a demand for the taxation of the food of the people of the United Kingdom, which was then expressly disclaimed?

What has happened in Canada is very instructive as showing the practical value of such a concession by way of preference in the Colonies. The Canadian Government granted a preference of 33 per cent. on British taxable goods imported into the Dominion. Sir Wilfrid Laurier stated at the time that it was voluntarily given, without

asking any return, in consideration of the free access to the British market of Canadian produce, and no equivalent was asked or expected; and it was expressly stated that there was "no idea of asking the Mother Country to depart from the Free Trade from which she had derived such advantage." What has been the practical result of this preference of 33 per cent. in Canada? Mr. Chamberlain, in the report of the Conference, 1902, says (p. 7):

The time that has elapsed has been sufficient to enable us to form a judgment of the effect of an arrangement of this kind, and I have to say to you that while I cannot but gratefully acknowledge the intention of this proposal, and its sentimental value as a proof of goodwill and affection, yet that its substantial results have been altogether disappointing to us, and I think they must have been equally disappointing to its promoters. . . . The total increase of the trade in Canada with foreigners during the period named, that is, including both the trade subject to the tariff and also the free trade, was 69 per cent., whilst the total increase of British trade was only 48 per cent. . . . The net result, I desire to impress upon you, is that, in spite of the preference which Canada has given us, their tariff has pressed, and still presses with the greatest severity upon its best customers, and has favoured the foreigner who is constantly doing his best to shut out her goods. . . . We may most readily and most gratefully accept from you any preference which you may be willing voluntarily to accord to us. We cannot bargain with you for it. We cannot pay for it unless you go much further, and enable us to enter your home markets on terms of greater equality. So long as a preferential tariff, even

a munificent preference, is sufficiently protective to exclude us altogether, or nearly so, from your markets, it is no satisfaction to us that you have imposed even greater disability upon the same goods if they come from foreign markets.

What assurance is here offered—I might say what probability is there—that any such preference will be accorded by the Colonies? They have made up their minds to protect their own manufactures by sufficient duties to prevent effective competition with them by British no less than foreign traders; and at this moment Australia is contemplating, like Canada, adding bounties to protective tariffs to preserve her own interests against all intruders.

On a review of the balance of interests which Mr. Chamberlain invites us to consider, it is plain that the enormous preponderance is at present in favour of the Colonies. The demand, therefore, that we should undertake to place additional burthens upon the people of the United Kingdom is altogether unreasonable and unfair. To attempt to enforce what Mr. Chamberlain has himself designated as a “one-sided bargain” is a course which will not unite but disturb the Empire. In a dithyrambic outburst of patriotic pathos Mr. Chamberlain ejaculated to the admiring Colonial Conference, “The weary Titan staggers under the too vast orb of its fate. We have borne the burthen for many years. We think it is time that our children should assist us to support it.” And his

grand scheme proposes that in the interest of our children we should put the staggering Titan on short commons. I do not believe that that is a diet which will help that unfortunate person the better to "support the vast orb of his fate."

THE WAR BLUNDERS.

By DR. T. J. MACNAMARA, M.P.

I WILL ask you to carry your minds back to January, 1900. The South African War had been raging three months; 6,000 of the flower of the British Army lay dead upon the fields of Glencoe, Belmont, Graspan, Modder River, Stormberg, Magersfontein, and Colenso. Ladysmith, Kimberley, and Mafeking were invested. Buller, Gatacre, and Methuen had been repulsed. Penn-Symons, Wauchope, and many another gallant hero was numbered among the slain. We were all of us bitterly disappointed and deeply depressed. We were more. We were amazed at the stupendous dimensions of the forces against us. Why did we not know? Those "Long Toms!" How was it we were not advised of their existence? Mr. Balfour goes down to his constituents in East Manchester on January 8, 1900. As to the question of the startling nature of the Boer preparations for the war, why blame the Cabinet? Said he :

This was not a question on which the Government had, could have, or ever pretended to have, special means of information. The man in the street knew

as much as the man in the Cabinet. "Therefore, gentlemen, I do not feel the need, so far as my colleagues or I are concerned, of any apology whatever!"

The other day (Friday, November 27) at the United Club dinner at the Hotel Cecil, Mr. Balfour adopted precisely the same line of defence.

"It was because," said he, "the task before us proved to be greater, far greater, than any critic, military or civilian, ever suggested, that what are now called the deplorable War Office blunders had their origin. Therefore, again, gentlemen, I am not going to make the slightest apology, or attempt the smallest excuse, for anything that went wrong in the war."

Well, now, let us see. I turn to Appendix A, page 155, of the Report of the Royal Commission appointed to inquire into the military preparations and other matters connected with the war in South Africa. (This report is numbered 1,789, and is priced at 2s. 7d. It can be obtained through any bookseller, or from Messrs. Eyre and Spottiswoode, East Harding street, Fleet street, E.C. It should be on the table of every public library, and indeed, in every genuinely patriotic Englishman's home.) I say I turn to page 155. I find there a series of most remarkable "Notes" on the military situation in the Transvaal and the Free State, covering the years 1896-7-8 and 1899. Never before, I should say, in the history of civilised warfare, was a Government so fully and

accurately advised as to the nature and proportions of the forces against it. In October, 1896, Sir John Ardagh and his Intelligence Department advise the Government that the Boers are spending £2,350,000 on military preparations, "including the provision of artillery, rifles, ammunition and fortifications." They add that this "large expenditure can have no other explanation than an anticipation of war." From time to time similar specific facts are forwarded, to be pigeon-holed in Pall Mall. That fine soldier, Sir William Butler, was in military command at the Cape from November, 1898, to August, 1899. On January 25, 1899, he warned the Government that we were drifting into a conflict "the ultimate consequences of which no one can adequately estimate." Numberless communications passed between him and the Government. In one despatch he tells them that "the Boers will fight to the very last man if you menace their independence." Again he says: "The women will help, and the children will fight"; and so on. In his evidence before the Royal Commission he says (Report, Vol. II., page 85):

Following the close of the Bloemfontein Conference, I sent a series of telegrams and despatches to the War Office, in which I extended to the utmost limits of official language my warnings of what war with the Dutch Republics would mean. . . . I think I am within the meaning of those communications when I aver that the gravity of the warnings therein given could not easily have been greater.

But the momentous warnings and the specific information of 1896-7-8 and 1899 are not all. In June, 1899 (four months before the outbreak of hostilities), a special handbook is prepared for the Government by Sir John Ardagh and the Intelligence Department. It gives minutely the state of the Boer and Free State armaments. Take big guns. At the outbreak of the war we were all astonished by the paralysing effect of the Boer big Creusots—the “Long Toms.” Where did they get them? How was it that we were ignorant of their existence? The late Lord Salisbury (January 30, 1900) assured the House of Lords that the Government really had no means of knowing. Said he:

The guns were generally introduced in boilers and locomotives, and the munitions of war were introduced in piano-cases and tubs. We had no power of search; we had no power of knowing what munitions of war were sent in. . . . We know it now—we have the best reason for knowing it. But that we knew it to the extent to which it existed in June last I entirely deny.

Well now, let us see. Here is a document prepared for the Cabinet and dated Lord Salisbury's identical June. It tabulates almost like a trade prospectus the precise description of the Boer big guns. It describes for us the number of 155mm. Creusots, 120mm. Howitzers, 75mm. q.-f. Krupps, Nordenfeldts, Hotchkisses, Armstrongs, &c., &c. It fixes the total number of big guns in

the Boer possession in June, 1899, at 107. At the end of the war we were able to verify, by official papers at Pretoria, the exact state of affairs. The total number of Boer big guns in use during the campaign was 99! Of machine guns this handbook of June, 1899, advised the Government as to 34 then in the Boer possession; the actual number used was 27. As to small arms, the handbook estimates a total of 99,264; the actual number used during the campaign was 96,661. As to rifle ammunition, the handbook tells the Cabinet that the Boers have 33,000,000 rounds in hand. How many does it appear they fired off?—33,050,000 rounds!

Therefore it is abundantly clear that the Government was most carefully advised as to the nature of the volcano over which we were leaning in 1899. That the members of the Cabinet should have neglected to read these oft-repeated warnings thrust under their very noses time and again for three years running is the most shameful and criminal piece of negligence the history of our country in modern times has disclosed. Men's lives were hanging in the balance. The scale went down against them because—the Cabinet was too indifferent to do the work for which it was paid!

I will now ask you to carry your minds back to June, 1895. It was a time of profound peace. Happily, there was not a suggestion of war on any part of the horizon. The summer was a very

hot one ; and, acting upon the specific advice of its military advisers, the Liberal Government of the day had kept the supply of cordite very low. Great heat, I may tell you, makes it very difficult to keep cordite in bulk. Very good. Finding that the supply of cordite was low, the great patriotic Tory party was filled with the most righteous indignation. So it came down to the House of Commons filled with the eager bitterness of a purely party attack. That ineffable blunderer, Mr. Brodrick, moves to reduce the salary of the Secretary of State for War, Sir Henry Campbell-Bannerman, as a protest against the shortage of cordite. The virtuous wrath of the Tory party was admirably summed up in the impressive speech of Mr. George Wyndham, the gentleman, let it be remembered, who was Under-Secretary of State for War during the years 1898, 1899, and 1900. Says he :—

If we were overwhelmed by some national disaster, and it was due to any extent to neglect in the supply of ammunition, the Adjutant-General might not be shot, but the Minister of War would be held responsible for betraying the country.

Of course the wave of Tory patriotism carried the day, and the Liberal party was swept out of office because of a lack of cordite at a time, as I say, of profound peace. And, of course, the Tory party was going to put everything right in double-quick time. Now that we had returned them to power we might sleep safely at nights. Within twelve

months they had, according to their own unsolicited testimonials, achieved such wonders in the way of administrative reform that Mr. Balfour was able to go down to Manchester and tell his constituents that

there never was a moment in the recent history of this country when the British Empire was a better fighting machine than it is at the present time.

Well, now, let us see again. We are on the eve of the Great Boer War. We have had four years of patriotic and even Jingo Toryism. At a time of profound peace a Liberal War Minister might "betray his country," as Mr. Wyndham would put it, by letting the supply of cordite run low. But such a thing is not to be contemplated under a patriotic Tory Administration with "the sands in the hour-glass running down." I turn to Volume I. of the evidence before the War Commission. The witness is Sir Henry Brackenbury, Director-General of Ordnance. In page 73 he tells us how we stood with regard to big gun ammunition at the outbreak of the war. He says :—

We had in reserve the material of only one Horse Artillery battery. . . . We had only material for eleven 15-pounder batteries. . . . We borrowed ammunition from the Navy, and we borrowed ammunition from the Government of India, and yet I was unable to meet Sir Redvers Buller's demands for 5-inch Howitzer ammunition and 7-pounder ammunition until a fortnight after they should have been complied with.

I turn now to the question of the supply of ammunition for small arms at the outbreak of the war. On page 74, Volume I. of the evidence, Sir Henry Brackenbury goes on to relate that at the close of March, 1899, 66,000,000 rounds of Mark IV. cartridges were delivered. It was subsequently found that the bullets in these cartridges had a knack of "stripping" and leaving the nickel envelope behind in the grooving of the rifle. Loaded again in this condition, there would be a blow back from the breech that, as likely as not, would cut the soldier's eye out, or lay his cheek bare to the bone. Consequently, these 66,000,000 rounds of ammunition were withdrawn as "non-effective for purposes of war." Says Sir Henry Brackenbury:—

We were driven to great straits at one time, because we had actually got reduced in this country to two or three boxes of Mark II. ammunition.

And on November 20, 1899, eighteen days after the investment of Ladysmith, Mr. Brodrick had to cable to Sir Redvers Buller:—

There is only eight weeks' supply of Mark II. '303 in ball ammunition in the country, and all gun ammunition will be exhausted before eight weeks.

And as with the ammunition, so with the other warlike stores. Take the question of rifles. Sir Henry Brackenbury (Volume I., page 86) tells us that after 25,000 Reservists had gone out with the

Lee-Enfield it was suddenly discovered that the "sighting" was so far wrong that a truly-aimed shot hit 18 inches to the right at 500 yards. He says:—

What we proceeded to do immediately was to make a back-sight with a differently-placed notch on the leaf, and we sent these out to South Africa to be put on the Lee-Enfield there, so that they could alter their rifles there. But it was an awful blow, just at the moment when we were beginning to take this new weapon into use, to find that this mistake had been made.

Yes; but the discovery was not made till the December of 1899. Meanwhile, thousands of Reservists—men who had left wives, families, and civil avocations to spring with enthusiasm to the call of duty—had fought at Graspan, Modder River, Stormberg, Magersfontein, and Colenso. At 1,000 yards' range the truest shot from the best of them would be a yard to the right!

At the General Election of 1900 these were the very men whose courage, endurance, good temper, and patience were impudently exploited by the Tory party in order to snatch another term of political power!

Lord Esher, a Royal Commissioner, says that Sir Henry Brackenbury's statement "shews that either the Secretary of State was culpable of neglect, or that he was ignorant of the facts." Sir George Taubman-Goldie, another Royal Commissioner, adds: "Only an extraordinary

combination of fortunate circumstances, external and internal, saved the Empire during the early months of 1900." The question is, What are *you*, the voter who reads these lines, going to do about it? If you trust these Incapables again you will do so with the full assurance that national disaster in some form or other will stare us all in the face. The Report of the War Commission makes *that*, at any rate, an absolute certainty.

PROTECTION AND THE LAND.

By J. FLETCHER MOULTON, K.C., M.P.

NOTHING is more worthy of note in Mr. Chamberlain's "raging, tearing propaganda" than his silence as to the bearing of his scheme on the Land question.

Take his proposed tax on corn, modestly fixed at 2s. per quarter to begin with, but which it is easy to prophesy would soon be raised to a much higher figure. This is the essential feature of his original scheme. On it depends his power to give a substantial preference to Canada, the colony from which he hopes the most. The other features of his later and more complete scheme have varied from time to time, but this tax on corn has remained constant and prominent throughout. Hence we may fairly conclude that he has weighed well its significance and consequences. It is not unjust to him to take it as something more than a casual suggestion.

WHO PAYS THE TAX?

Now we all know how and by whom such a tax is actually borne and paid. The payment at the Custom House does not show how the tax falls;

it is merely an advance repaid to the merchant on his re-sale of the corn. The price of the corn is raised by the amount of the tax throughout all the subsequent transactions until it comes to the actual consumer. He pays a price which includes the tax, and no one repays him. On his shoulders the burden of the tax actually rests. If the tax is at such a rate that it amounts to a farthing on so much corn as goes to make a quartern loaf, the price of each quartern loaf that is bought is raised at least one farthing.

That the Corn Tax will raise the price of corn in this way cannot be denied. We get such a large amount from foreign sources that there is no ground for thinking that the foreign producer will lower the net price at which he sells it to us because we choose to tax it. The tax must be paid by the consumer in the shape of a rise in price. And, indeed, this is calculated upon by Mr. Chamberlain in claiming that his Corn Tax will benefit the Colonies. If it did not raise the price the gain to them would vanish. So that both sides accept that the price of corn will be raised by the tax.

To render our ideas more precise, let us put it into figures. Roughly, the amounts of corn consumed in England, and the origin of same, are as follows :—

	Millions of cwts.
Foreign countries.....	132
Colonies.....	35
Home.....	155

Mr. Chamberlain wishes to give a preference of about 6*d.* a cwt. to Colonial-grown corn, and he therefore puts a tax to this amount on all imported corn which comes from foreign countries. He rightly concludes that this will raise the price of corn by the amount of the tax, so that the Colonist will get to this extent an increase in the price of his corn.

But the tax is paid by the man who buys it and borne when the loaf is bought, and it is no matter where the corn came from out of which the loaf is made. So the tax raises the selling price of all corn—the home-grown corn equally with the Colonial and foreign. Hence the whole rise in cost of corn to the consumer which is due to the tax is as follows:—

	Millions of cwts.		Amount of tax.
Foreign corn	132		£3,300,000
Colonial	35		£875,000
Home	155		£3,875,000

TO RELIEVE THE LANDLORDS.

These are the extra sums which the consumer pays. Who gets them? The amount of the tax on the foreign corn goes into the Treasury. That on Colonial corn goes into the pockets of the Colonists who occupy themselves in growing corn. But what becomes of the biggest of the three—amounting to well-nigh half of the total burden—that which corresponds to the home-grown corn? Is there any doubt to whom it goes? None

whatever. The plan is not put forward as a temporary expedient, but as a permanent policy. We must therefore consider the effect of a permanent addition to the price of corn, due to no increase in the cost of growing it, but purely to the imposition of a tax on imported and competing corn. This increase must eventually go wholly to the landlords, in the form of increased rents. In other words, the tax of 2s. per quarter on corn means ultimately an increase in the rents of agricultural land at home of at least £3,875,000—a figure which must be increased should the tax stimulate the growth of corn at home.

MR. CHAMBERLAIN KNOWS.

I have said that we are entitled to assume that Mr. Chamberlain has thought out the consequences of his tax, so that he must be taken to have realised this fact. But we are not left to conjecture whether he does or does not know that a tax on corn means a rise in rents. We have abundant evidence from his former speeches that he knows it well. I need only quote two of his speeches made in the old days:—

1. What is it that they (the Tories) have to offer us besides a vigorous foreign policy, which might perchance find places for some of their younger sons; *or a tax on the food of the people, which would undoubtedly raise their rents?*

2. The owners of property, those who are interested in the existing state of things, the men who have

privileges to maintain, would be glad to entrap you from the right path by raising the cry of Fair Trade, under which they cover their demand for Protection, and in connection with which *they would tax the food of the people in order to raise the rents of the landlord.*

Mr. Chamberlain has thrown overboard most of his past utterances on Free Trade by alleging that times have changed, and that the existence of high tariffs in foreign countries justifies him in renouncing all his former principles. But this is not a matter which depends in any way on foreign tariffs. It is simply a question of the economic results of a tax on the import of corn into our own country; and what was true of it in 1885 must be equally true now, and he must know that it is so. To do him justice I do not think that he has ever denied it. But he has maintained an absolute silence on the point.

NO LONGER FOR THE PEOPLE.

Why? He has taken the responsibility of urging his fellow-countrymen thus to tax themselves, and yet he says not one word to warn them that almost one-half of this self-imposed burden will go into the pockets of English landlords. He dwells much on the amount of benefit that our Colonies will reap, whereas for every shilling that goes into their pockets 4s. 6d. goes to English landlords, as to which he says nothing. Yet in olden days he was the foremost to give

this note of warning. Why do we no longer hear it from him?

There is one and only one answer. *Then he was on the side of the people, and now he is on the side of the landlords.* No man can serve two masters, and he now serves the landlord party, by whose help he hopes to carry his scheme. So he must keep from his hearers the unpleasant fact that the burdens he is laying on the poor will go to pay his rich supporters.

LANDLORDS AND SACRIFICES.

Two reflections force themselves on us. What are we to think of the rich landlords themselves who appear on Mr. Chamberlain's platform, support his propaganda, and form part of the Government which is *de facto* headed by him? Their cry is that as patriots each Englishman should cheerfully accept the sacrifices which they say we must make to preserve our Empire. By joining Mr. Chamberlain they show that they are ready to accept on their own behalf this community of sacrifice. And yet they know, but do not say, that the burden they ask their fellow-citizens to take on their shoulders is not only one that they will not touch with one of their fingers, but one out of which they calculate to make a huge revenue for themselves.

And lastly as to Mr. Chamberlain himself. No man could have put himself into a position in

which he was more absolutely bound in honour to make an honest and full disclosure of all the consequences of his scheme of which he has knowledge. The audiences he addresses are largely composed of men who have too hard a struggle in life to have time for the study of economics, and they do not know of this secret profit to his supporters. And he is silent.

RETALIATORY TARIFFS.

BY HERBERT W. PAUL.

RETALIATION is, as Lord Rosebery would say, no part of the Sermon on the Mount. But it now forms part of the Birmingham Programme. Mr. Chamberlain perceived that he had made a bad mistake. Hence his resignation. His original proposal for a preferential tariff in favour of the Colonies, involving, as he has from the first admitted that it must involve, a tax on food, was not received with enthusiasm either in the Colonies or at home. Even in Canada, and in New Zealand, where it is most popular, responsible statesmen have frankly declared that they cannot modify their own Protective duties as a step towards Free Trade within the Empire. All they could do would be to raise their tariff against foreigners, leaving it at its present height against the Mother Country. So that we should have to tax ourselves for the benefit of Colonies who taxed us for their own advantage in return. That is not, in the familiar phrase, good enough, and Mr. Chamberlain has since made the startling announcement that his proposals will not raise the cost of living for any family in England. It is, of course, quite

impossible to reconcile this assertion with Mr. Chamberlain's previous prophecy that higher wages would compensate for dearer food. But Mr. Chamberlain's inconsistencies have ceased to attract much notice. His apparent change of front is only interesting because it suggests that while preaching preferential tariffs he may revive the idea of "Fair Trade" which was fashionable twenty years ago, and adopt a policy of retaliation, as foreshadowed by Mr. Balfour in his recent pamphlet. His devoted follower, Mr. Arnold-Forster, evidently thinks so, for he told his constituents at Belfast that real Free Trade, or an exchange of products on equal terms, did not exist, as, of course, according to his definition, it has never existed.

This is the fine old fallacy which was knocked on the head by Mr. Chamberlain and others in 1885. It assumes that England, under the influence of Cobden, Peel, and Gladstone, adopted Free Trade as a half-measure, in the hope, which experience has falsified, that the rest of the world would adopt it too. The truth is, as a very slight study of the debates in 1846 will show, that the Corn Laws were abolished because they were injurious to the United Kingdom, and not as a concession to foreigners, or as part of a bargain with other States. Free Trade does not mean the natural exchange of products on equal terms. It means a tariff for revenue only, and its ethical foundation is that Parliament has no moral

right to tax the people for the benefit of a particular trade. Every Protective duty costs the consumer more than it brings into the Treasury, because it is only levied upon foreign goods, whereas it raises the price of home goods also.

Peel and Cobden knew all about the doctrine of retaliation. It is nothing new. Peel himself tried it for the purpose of inducing foreigners to lower their tariffs. But it completely failed. A tariff war resulted in raising tariffs all round, and then the great Minister, who could learn as well as teach, who learnt from Cobden and taught Gladstone, adopted the sound principle that hostile tariffs must be fought by free imports. Why? Because retaliation injures those who employ it more than those against whom it is employed. To quote the accurate and ingenious illustration of Sir Edward Grey, it is a weapon with a blunt point and a sharp handle. Germany, the United States, France, Italy, and all British Colonies that possess self-government, impose Protective duties on British manufactures. Those duties are undoubtedly disadvantageous to British exporters. Without them the foreign market would be more easily reached. But not one penny of them falls upon any Englishman living at home. They are respectively paid by the German, the American, the French, the Italian, and the Colonial consumer.

It is predicted, contrary to all experience, that the mere threat of retaliation would make foreigners abandon or mitigate their Protective system. If so,

well and good. But nobody has better cause than has Mr. Chamberlain to know that bluff is a dangerous game. To threaten retaliation, and not to act upon the threat, would make England ridiculous in the eyes of the world. We are bound to assume that, in some cases at all events, the threat would be carried out. What would happen then? Instead of one evil there would be two, and the second evil would be worse than the first. France taxes our iron, or, rather, the French Legislature taxes those Frenchmen who buy it. By the law of retaliation we should tax French silk. In other words, Parliament would make Englishmen and Englishwomen pay more for silk, not because the money was wanted for public purposes, but because France was to be punished for taxing British iron. Could there be a more ridiculous example of cutting off one's nose to spite one's face?

In one respect Mr. Chamberlain has been, since his speech at Birmingham last May, perfectly consistent. He will not tax raw material. Raw material provides work for the people, and must therefore be left alone. But to retaliate on any large scale without taxing raw material is impossible. As has been well said, the manufactured article of one trade is the raw material of another. Take leather. Compared with hides, it is a manufactured article. Compared with boots, it is raw material. Paper is the manufactured product of rags. It is the raw material of books. As Bastiat, the clearest and wittiest of economists, says, the

umbrella-maker wants Protection for umbrellas, but he demands Free Trade in wood, silk, and whalebone. The manufacturer has acquiesced in Free Trade because, as a sensible man, he perceives that unimpeded access to the markets of the world for his raw materials is more important to him in the long run than Protection against the foreign competition with his industry.

But if there is to be retaliation, every trade will clamorously require that it shall be directed against the corresponding trade abroad. Free Trade is fair to everyone. Under a protective tariff, without which there can be no retaliation, every trade that is not protected has a legitimate grievance. "Taxing the foreigner" is a specious cry. Unfortunately it is a cry, and nothing besides. If we could tax foreigners, and make them pay for our Army, our Navy, our Civil Service, there would be no reason why we should pay any taxes ourselves. There would, indeed, be only one drawback to our perfect financial felicity, and that would be the fact that by parity of reasoning the foreigner could tax us. The real aim of Protection is always artificial scarcity. If it did not raise prices by limiting supply nobody would care for it. Such is the object and such is the effect of the tariffs against which retaliation has been threatened. If such were not the object, such at least would be the effect of retaliation itself. The merchants of London in 1820, when Cobden was a boy at school, petitioned the House of

Commons that they might have leave to buy in the cheapest markets and sell in the dearest. Protection was a denial of the former privilege. Retaliation would be the same.

But is the reconstituted Government really in favour of taxing the foreigner? This question can be answered by a simple and practical test. There is one way in which foreigners may tax themselves, and have taxed themselves, for our benefit. Bounties on the export of goods imported into this country confer a positive advantage upon the British consumer, because they lower prices. The most conspicuous instance of this practice was the premium given by the Austrian, German, Russian, and other Governments for the export of sugar. Such a policy is neither more nor less protectionist, neither more nor less consistent with Free Trade, than the high tariffs at which measures of retaliation, if adopted, would be aimed. The difference between them is this. Protective duties, though they injure most the countries which levy them, are still injurious in their degree to the over-sea trade of the United Kingdom. The bounties on sugar, besides cheapening it to the British consumer, were a valuable aid to the dealers in biscuits, jam, and the many other provisions of which sugar forms an ingredient. A Free Trader cannot defend bounties on principle. He could not advise that his own country should give them. But inasmuch as we bear patiently with hostile tariffs, believing that the remedy

would be worse than the disease, so we should, if we had been wise, have thankfully accepted as a set-off the subsidy which foreign taxpayers contributed to our own industrial system.

What, however, have Mr. Balfour and his colleagues done? They have joined a foreign Conference to promote the suppression of sugar-bounties from which we derived considerable advantages. They have succeeded by threats of countervailing duties in procuring the repeal of the bounties on Austrian and German sugar. They have excluded Russian and Argentine sugar altogether. They have put it in the power of a foreign syndicate, where the British representation is one against ten, to decide whether the laws of any State are so framed that its sugar is bounty-fed, and must therefore be excluded from British soil. At the same time, manufactured articles for which sugar is used are freely admitted to compete with similar articles made at home. That they ought to be so admitted no Free Trader will deny. But to admit them while artificially limiting the supply of foreign sugar is essentially unjust, and a subject of reasonable complaint to every British confectioner. The Sugar Convention, which now rests upon the authority of an Act of Parliament, is the most foolish form of retaliation which could possibly be devised. The only excuse made for it was that it would save our West Indian Colonies, or rather the capitalists who had invested their money in West Indian

sugar, from ruin. But this plea, even if it were adequate, is not well founded, and will not bear examination. The great market for West Indian sugar is the United States, and the sugar excluded from Europe will go to increase the competition there. Of the three Commissioners sent by the present Government to study the subject on the spot, two, Sir David Barbour and Sir Edward Grey, reported against countervailing duties, to say nothing of exclusion.

This lesson in retaliation ought to be enough. But there are other practical reasons against it besides the plain teachings of economic science. When the "Fair Traders" started their agitation in 1883, trade was bad, and, as hard cases make bad law, so bad trade is favourable to quack remedies. Has our trade been declining of late years? To judge it from exports alone betrays elementary ignorance. Its volume can only be determined by a comprehensive examination of exports, imports, and home trade together. An excess of imports over exports when allowance has been made for the investment of British capital invested abroad, and for the conveyance of foreign goods in British ships, means that we are making a good bargain; that we get more than we give; that we buy cheaply and sell dearly. But though our exports are far below our imports, they have increased, and not diminished. They are three times as much as they were half a century ago. Between 1871 and 1875 they reached the then unprecedented sum of

£239,500,000. After that there was a decline. But between 1896 and 1900 they averaged £10,000,000 more, and for the year 1902 they rose to £277,600,000. For the first half of 1903 they were £140,200,000, which means an annual rate of £280,400,000. These unexampled figures are the result of fighting hostile tariffs by free imports. The consequence of fighting them by retaliation may be seen in the high prices, the low wages, the enormous poor rate, the general destitution which prevailed from 1815 until Peel took off the duties on raw materials in 1842.

BONDS OF EMPIRE.

BY SIR ROBERT T. REID, K.C., M.P.

It is a great pity that in the stress of political conflict Mr. Chamberlain and a good many of his allies have persistently endeavoured to make out that there is a party in the United Kingdom which can in the least deserve the title of Little Englanders.

THERE IS NO SUCH PARTY.

There are hardly any individuals who desire anything but the maintenance of our existing British Empire under the British Crown. At one time Mr. Chamberlain himself was exposed to this taunt, most unjustly, as well as Mr. Gladstone and many leading Liberals. No man ever pleaded more passionately than Mr. Gladstone and his colleagues in the old days for a full recognition of the greatness which this country derives from its vast Colonies and Dependencies. Few statesmen added more than he did to the area governed by the British Crown. Some of us think he added too much in tropical or semi-tropical regions. But his support of the Alabama Arbitration, his evacuation of the Soudan, his Conventions with

the Boers in 1881 and 1884, doubtless offended a great deal of contemporary opinion—whether rightly or wrongly need not now be discussed. And since his time the strong disapproval, which many Liberals have felt and expressed, of the policy which led to the Boer War also ran counter to current feeling. A deep conviction that peace alone could heal the troubles in South Africa, and that war could only inflame them, was interpreted as proof of indifference, even of aversion, towards the Colonies. This imputation was diligently fixed upon men whose opinions were entirely the other way, and we are told the fiction has obtained some credit in the Colonies. As a matter of fact, it is wholly destitute of foundation, and the charge a foolish and not very worthy weapon in the armoury of party warfare at home.

But it is undoubtedly true that many Liberals have no faith in some of the methods by which in these days it was sought to “draw closer the ties” that attach us to the self-governing Colonies ; for it is in regard to them almost entirely that these aspirations have found expression. The intention is excellent. It is always desirable that men of the same race should keep up their common traditions, and men of a different but equally fine race, like the French Canadians and South African Dutch, should feel that they share a common purpose and stand as comrades and absolutely as equals with the rest of us. How to

inspire all parts of an empire that girdles the world with a feeling of unity; how to diminish the tendency towards alienation that distance is apt to engender—that is the difficulty. It is all a question of methods, and it is unwise to grasp at every plausible suggestion without inquiry, merely because the object is good or the man who propounds it has his heart in the right place. Now some things that have been proposed are plausible enough; but are they practical? will they do good? The subject is grave and important.

OUR RELATIONS WITH THE COLONIES.

First, let us realise the actual existing relations between the self-governing Colonies and the Mother Country. All the Colonies in which there is a great population of men of European race are self-governing—Canada, Newfoundland, Australia, New Zealand, Cape Colony, Natal. The Transvaal and Orange River Colonies are, by common consent, soon to be placed upon this list. Now the self-governing Colonies are, in a technical sense, amenable to laws made by the Imperial Parliament—in a technical and in no other sense. For the idea of using this power otherwise than for the convenience and with the consent of the Colonies never occurs to anyone.

It would be unconstitutional (as opposed to illegal) so to use it. Statutes binding a self-governing Colony are not infrequently passed

at Westminster, but always by the desire of the Colonists, as, for example, the recent Act creating an Australian Commonwealth. In like manner the Royal veto, though expressly reserved, is used for convenience merely. No attempt is ever made so to use it as to constrain a Colony against its will. In short, the self-governing Colonies are, as Sir W. Laurier put it, for all practical purposes independent nations. All this is commonplace, but should be borne in mind when considering projects for closer union. The counterpart also needs to be borne in mind. The United Kingdom also is independent—free, that is, as the Colonies are free, to make its own laws and policy for itself.

With this clearly before our minds let us examine the idea of closer union. Does closer union involve, ought it to be considered if it does involve, any infraction of the existing independence enjoyed by the United Kingdom and the self-governing Colonies?

In so far as mere internal laws are concerned, laws regulating domestic life, no one suggests the least departure from existing conditions. But as regards external relations, and the laws necessary for adjusting them, and for regulating and enforcing the policy of the British Empire with foreign countries, it seems difficult to see how a closer union within the British Empire can be attained without some sacrifice of independence by all its component parts.

Our concerns with foreign countries are both political and commercial. We make treaties with them of alliance, or governing our action in different parts of the world, such as the Clayton-Bulwer Treaty, or the various engagements affecting China and South Africa. Also we make commercial treaties with them, which include generally the self-governing Colonies, but

NEVER WITHOUT THEIR APPROVAL.

If things come to the worst we might find ourselves in a state of war with foreign nations. In all this we habitually pursue, or at least mean to pursue, a policy which shall be advantageous to our Colonies as well as to ourselves, though in all matters outside commerce the Colonies have no authoritative voice. On the other hand, as they do not call the tune, neither do they pay the piper. We bear substantially the whole cost of military and naval armaments, and the whole cost of warlike operations. We and they are equally liable to the actual sufferings and ravages of war.

Upon the whole, much may be said in favour of as well as against this system—a system, by the way, which has grown up of itself, like every other Anglo-Saxon institution, with a minimum guidance either from statutes or statesmen. Those who criticise usually dwell only upon one feature of what is an organic whole. Voices are heard complaining that the United Kingdom cannot alone

sustain the immense financial burden ; that we are weary Titans staggering under the load. If, however, a quarrel arose with some Power on a matter affecting merely the United Kingdom, might not some voice be raised in the Colonies which were exposed to war for interests locally remote? If we disturb one part of what is essentially a compromise, will not all the rest come immediately under review? And once you

BEGIN PULLING TO PIECES

the established order, are you quite sure you have something more stable to put in its place?

I believe that in time, probably a considerable time, usage will gradually modify the system under which we live with our self-governing Colonies, so as to mitigate whatever features of hardship or inconvenience may now exist. That is the way the British Constitution itself grew up. Changes induced by experience, growing naturally from habit, are noiseless and imperceptible. They wound no susceptibilities and endanger no friendships. For example, it seems quite likely that as their wealth and numbers grow the Colonies will provide themselves with quite ample military forces at their own cost, and increase their contributions to naval outlay. And as their share in fighting strength becomes greater their share also in the determination of policy will become greater—not by any Order in Council or Act of

Parliament, but naturally, until it will become a settled custom to consult freely with them,

RATHER AS ALLIES CONSULT TOGETHER,

and fix upon a common base of action. In this or some other way closer union may come, and the sooner the better. Whichever way it comes, let it be spontaneous and unforced. Above all, let it be wholly free from the least attempt to touch the independence enjoyed by all concerned.

These are among the considerations that lead one to regard with grave misgiving the well-meant cry for Imperial Federation. No responsible person that I know of has formulated a scheme. Yet the whole idea rests upon the creation of a central representative body which shall on some subjects make laws binding the whole Empire. The difficulties are immense. Is the House of Commons to be that central body? If so, it must contain Colonial members, and surely they ought not to take part in the internal affairs of the United Kingdom. Or is it to be a new Assembly? If so, the British Parliament must surrender to it some of its existing powers; and so of the Colonial Parliaments. Is it likely any self-governing portion of the British Empire will consent to such a project? It is most improbable that there would always be agreements upon policy in such a Legislature; and if one or two Colonies were overruled friction would be inevitable.

Preferential Tariffs are not open to quite the same objection, for they could be arranged by the concurrence of existing Legislatures and without any sacrifice of independence. According to Mr. Chamberlain, Colonial Preferences are the only present means of promoting closer union. I can imagine few projects more likely to produce disintegration. Free Trade between the Colonies and the Mother Country would tend to create ties of common interest. Whether the gain would balance the loss if we and the Colonies had to purchase Imperial Free Trade at the price of adopting Protective Tariffs against foreign nations need not be discussed. That kind of Free Trade is for the present quite unattainable. All that can be secured is a series of bargains with the Colonies that we shall exchange preferences and place the foreigner upon a less favoured footing. I believe this system would

AROUSE THE DEEPEST RESENTMENT

on the part of millions of people in the United Kingdom, even if it came to be favoured by a majority. No doubt a majority must prevail on a matter of fiscal policy if it is determined to have its own way. But from the point of view of "closer union" I cannot conceive anything more foolish than to impose Colonial Preferences without a general consent on all hands. Every fiscal system works out hardly to some—there is no point upon which self-interest counts for more and

sentiment counts for less than in matters of taxation. And to my mind the idea of invoking racial, or what is called Imperial, sentiment to the support of a fiscal policy which is vehemently resisted is to invite an anti-Colonial spirit in this country. A corresponding alienation would certainly arise in Colonies which think they are not receiving treatment so favourable as their fellows, and among all whose trade with foreign nations is injured.

Really there are no other methods yet suggested of closer union that require notice. An Imperial Court of Appeal is spoken of. We have that already in the Privy Council, which contains all the highest and ablest Judges in the land, as well as many of the best Colonial Judges. It is true that the Board is sometimes inadequately manned. Let it be better manned. But, in truth, the notion that by dressing up judges in grand robes and seating them in a gorgeous courthouse anything is done towards consolidating the Empire is too far-fetched to need criticism. So of cheap postage, rapid lines of steamers, and suchlike proposals—excellent in all ways, but of quite infinitesimal value in this connection. In effect, no legislative contrivance or constitutional change, great or small, and

NO TINKERING WITH TARIFFS

can, as things are now, bring us nearer to our kinsmen across the seas. What may happen hereafter, when the Colonial system we have been

trying for less than a couple of generations has been worked for a long space of time ; when difficulties have been smoothed away one by one as they arise, and when convenient customs have entwined themselves as in England round the hard pillars of the law—what advance may then be possible no man can foretell. But in the meantime the wiser friends both of Great Britain and the Colonies will perceive that the bonds of the Empire are not material, resting upon a taxing Act or a paper Constitution, however cunningly devised, but spiritual. Race, language, literature, history, common traditions, in an atmosphere of complete freedom, are infinitely powerful factors for the keeping together of communities, no matter how many thousands of miles may separate them. If these things cannot do it, nothing can. Every fine action by the Mother Country will strengthen the tie ; forbearance towards the weak, pity and succour to the oppressed, justice to everyone. No Colony will lightly forsake a parent nation whose honour and renown shine brightly before the world. If we fall short of this we shall be shorn of the esteem of our Colonies, and union will not long survive esteem.

SOCIAL REFORM.

By HERBERT L. SAMUEL, M.P.

IT is beyond dispute that the condition of the English people has vastly improved in the last half-century. It is equally beyond dispute that the standard of living in Free Trade Britain is far higher than among the Protectionist countries of Europe. But the fact remains—proved by the most careful investigations—that a third of the population of our great towns are so poor that their means are barely sufficient to provide them with the necessities of life; multitudes are frequently under-fed and always over-crowded; a month's sickness or lack of employment will plunge them into destitution. There are still 1,000,000 paupers. Still 300,000 cases of open drunkenness are annually tried in the police-courts. Still 250,000 people have to be sentenced to prison every year. Ignorance, overwork, unhealthiness, bad surroundings, hopelessness of improvement, still blight the lives—not of some insignificant percentage—but of a great host of the population, in the richest country that the world has ever known. We speak of our national prosperity, our teeming wealth, the greatness of our Empire ;

there are these miseries at the base. The figure with the head of gold and the feet of clay—it is the image of modern England.

Social Reform is the policy which tries to remedy these evils. It works through the Churches, through the Trade Unions, through the Co-operative and Friendly Societies, through the charitable agencies, through the helpfulness of one man to his neighbours. It works also through the State. Good laws have done much, and should do more, to make it easier to live well and harder to live ill. The statesman may be the most effective of philanthropists.

But eight years of Conservative government has meant to the social reformer almost eight years of arrears. The long domination of Toryism, now so near its close, has been marked by only one large measure of progressive legislation closely touching the lives of the people—the extension of Mr. Gladstone's law of Employers' Liability by the Workmen's Compensation for Accidents Act of 1897; and even that measure excludes a third of the working classes from its benefits, and several kinds of accidents from its scope. For the rest, we have had legislation by dribblets and reform by homœopathic doses. Some meagre Housing Acts which have touched the fringe of one great problem, and a Licensing Act which has touched the fringe of another; Mr. Robson's Bill, raising the minimum age of school-exemption from eleven to twelve, permitted to

pass into law ; the Act of 1903 regulating the employment of certain classes of children—these, and a very small number of other measures of even less importance, are the contributions of the Government to the solution of the social problem, the barren yield of eight years of unquestioned political power. There were some well-meaning men who—remembering the early history of Factory Legislation, in which Tory Governments played a worthy part, and recalling the career of Lord Shaftesbury, a Conservative, but one of the greatest of reformers—hoped that the traditions of those now distant times might be revived, and that the famous Social Programme of the election of 1895 might have been meant in earnest. Experience has extinguished those hopes. It is clear to everyone that Ministers have not had their hearts in the work of social reform.

At least twelve measures of large importance may be mentioned which, ignored or postponed hitherto, will demand the earnest attention of future Parliaments. One is the extension and simplification of the Compensation for Accidents Act. A second is a stringent law to abolish bad conditions of housing both in town and country, and to facilitate the provision of better. A third is the much-needed reduction in the number of public-houses and the more vigorous suppression of drunkenness. A fourth is the regulation of home workshops, the soil in which the “sweating

system " still flourishes unchecked. A large reform in the methods of relieving the destitute is recognised to be necessary, particularly with reference to the needs, on the one hand of the children, on the other hand of the aged. Those who have studied with unprejudiced minds the problem of the unemployed hold the opinion that in several directions it is possible for the State to aid, without pauperising, the deserving among that class. To facilitate the provision of agricultural Small Holdings, in order to retain a larger proportion of the population in the healthier surroundings of rural life, was strongly advocated by a Committee of the House of Commons in 1889, and by the Royal Commission on Agriculture in 1895; but the measure passed with this object by the previous Conservative Government in 1892 has failed in its purpose, only 650 acres having been obtained in ten years under its provisions; and a new Small Holdings Act has long been desirable. There is the question of the Early Closing of Shops, a reform recommended by a unanimous resolution of the House of Commons in 1893, and by the unanimous report of a Committee of the House of Lords in 1901. There is the Miners' Eight Hours Bill, delayed only by the opposition of Northumberland and Durham. There is the improvement in the conditions of employment of certain classes of workmen in Government establishments. In order to provide the local

authorities with the means with which to carry out those portions of the work of social progress entrusted to their hands, the Rating of Land Values is urgently necessary. And, by no means least of the twelve, an amendment of the law relating to Trade Unions is needed, in order to restore to the unions, as nearly as may be, that liberty to promote or defend the interests of their members which until recently they enjoyed unchallenged. In addition to all these, there is work to be done in the improvement, in many points of detail, of the national system of education, and of the various Acts that regulate the conditions of labour on the railways, and in the mines, the ships, the factories and workshops.

These are no vague, revolutionary, or idealist proposals. They are all definite, and essentially practical. Every one of them has been adopted, so far as necessary, and is in successful operation in the colony of New Zealand—that Mecca of social reformers; most of them in other parts of the Empire and in other countries as well. The State, indeed, cannot do everything to cure the diseases that afflict the body politic; other agencies must co-operate, and apply the medicines of voluntary effort. But it is for the next Liberal Ministry to shew that the State in this matter can do much.

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